

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-11527

SERVICE PROPERTIES TRUST

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of
Incorporation or Organization)

04-3262075

(IRS Employer Identification No.)

Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts, 02458-1634

(Address of Principal Executive Offices) (Zip Code)

617-964-8389

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of each Exchange on which Registered
Common Shares of Beneficial Interest	SVC	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of registrant's common shares of beneficial interest, \$.01 par value per share, outstanding as of May 7, 2020: 164,566,397

SERVICE PROPERTIES TRUST
FORM 10-Q
March 31, 2020

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References in this Quarterly Report on Form 10-Q to the Company, SVC, we, us or our include Service Properties Trust and our consolidated subsidiaries unless otherwise expressly stated or the context indicates otherwise.

Part I Financial Information
Item 1. Financial Statements

SERVICE PROPERTIES TRUST
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(dollars in thousands, except share data)

	March 31, 2020	December 31, 2019
ASSETS		
Real estate properties:		
Land	\$ 2,068,645	\$ 2,066,602
Buildings, improvements and equipment	9,376,243	9,318,434
Total real estate properties, gross	11,444,888	11,385,036
Accumulated depreciation	(3,210,219)	(3,120,761)
Total real estate properties, net	8,234,669	8,264,275
Acquired real estate leases and other intangibles	364,397	378,218
Assets held for sale	56,688	87,493
Cash and cash equivalents	55,218	27,633
Restricted cash	44,537	53,626
Due from related persons	65,109	68,653
Other assets, net	176,005	154,069
Total assets	\$ 8,996,623	\$ 9,033,967
LIABILITIES AND SHAREHOLDERS' EQUITY		
Unsecured revolving credit facility	\$ 457,000	\$ 377,000
Unsecured term loan, net	398,038	397,889
Senior unsecured notes, net	5,290,396	5,287,658
Security deposits	47,094	109,403
Accounts payable and other liabilities	402,736	335,696
Due to related persons	17,447	20,443
Dividend payable	1,646	—
Total liabilities	6,614,357	6,528,089
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, \$.01 par value; 200,000,000 shares authorized; 164,566,397 and 164,563,034 shares issued and outstanding, respectively	1,646	1,646
Additional paid in capital	4,548,076	4,547,529
Cumulative net income available for common shareholders	3,457,995	3,491,645
Cumulative common distributions	(5,625,451)	(5,534,942)
Total shareholders' equity	2,382,266	2,505,878
Total liabilities and shareholders' equity	\$ 8,996,623	\$ 9,033,967

The accompanying notes are an integral part of these condensed consolidated financial statements.

SERVICE PROPERTIES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(dollars in thousands, except share data)

	Three Months Ended March 31,	
	2020	2019
Revenues:		
Hotel operating revenues	\$ 383,503	\$ 454,863
Rental income	100,072	68,673
FF&E reserve income	201	1,372
Total revenues	483,776	524,908
Expenses:		
Hotel operating expenses	271,148	317,685
Other operating expenses	3,759	1,440
Depreciation and amortization	127,926	99,365
General and administrative	14,024	12,235
Loss on asset impairment	16,740	—
Total expenses	433,597	430,725
Gain (loss) on sale of real estate	(6,911)	159,535
Dividend income	—	876
Unrealized gains (losses) on equity securities, net	(5,045)	20,977
Interest income	262	637
Interest expense (including amortization of debt issuance costs and debt discounts and premiums of \$3,288 and \$2,570 respectively)	(71,075)	(49,766)
Income (loss) before income taxes and equity in earnings (losses) of an investee	(32,590)	226,442
Income tax expense	(342)	(1,059)
Equity in earnings (losses) of an investee	(718)	404
Net income (loss)	(33,650)	225,787
Other comprehensive income (loss):		
Equity interest in investee's unrealized gains (losses)	—	66
Other comprehensive income (loss)	—	66
Comprehensive income (loss)	\$ (33,650)	\$ 225,853
Weighted average common shares outstanding (basic)	164,370	164,278
Weighted average common shares outstanding (diluted)	164,370	164,322
Net income per common share (basic and diluted)	\$ (0.20)	\$ 1.37

The accompanying notes are an integral part of these condensed consolidated financial statements.

SERVICE PROPERTIES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(unaudited)
(in thousands, except share data)

	Common Shares				Cumulative Net Income Available for Common Shareholders	Cumulative Other Comprehensive Income (Loss)	Total
	Number of Shares	Common Shares	Cumulative Common Distributions	Additional Paid in Capital			
Balance at December 31, 2019	164,563,034	\$ 1,646	\$ (5,534,942)	\$ 4,547,529	\$ 3,491,645	\$ —	\$ 2,505,878
Net loss	—	—	—	—	(33,650)	—	(33,650)
Common share grants	6,000	—	—	602	—	—	602
Common share repurchases	(2,637)	—	—	(55)	—	—	(55)
Distributions	—	—	(90,509)	—	—	—	(90,509)
Balance at March 31, 2020	164,566,397	\$ 1,646	\$ (5,625,451)	\$ 4,548,076	\$ 3,457,995	\$ —	\$ 2,382,266
Balance at December 31, 2018	164,441,709	\$ 1,644	\$ (5,181,323)	\$ 4,545,481	\$ 3,231,895	\$ (266)	\$ 2,597,431
Net income	—	—	—	—	225,787	—	225,787
Equity interest in investee's unrealized gains	—	—	—	—	—	66	66
Common share grants	—	—	—	436	—	—	436
Distributions	—	—	(87,154)	—	—	—	(87,154)
Balance at March 31, 2019	164,441,709	\$ 1,644	\$ (5,268,477)	\$ 4,545,917	\$ 3,457,682	\$ (200)	\$ 2,736,566

The accompanying notes are an integral part of these condensed consolidated financial statements.

SERVICE PROPERTIES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	For the Three Months Ended March 31,	
	2020	2019
Cash flows from operating activities:		
Net income (loss)	\$ (33,650)	\$ 225,787
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Depreciation and amortization	127,926	99,365
Amortization of debt issuance costs and debt discounts and premiums as interest	3,288	2,570
Straight-line rental income	3,543	1,132
Security deposits replenished (utilized)	(62,309)	(16,368)
Loss on asset impairment	16,740	—
Unrealized (gains) and losses on equity securities, net	5,045	(20,977)
Equity in (earnings) losses of an investee	718	(404)
(Gain) loss on sale of real estate	6,911	(159,535)
Other non-cash (income) expense, net	(1,659)	(330)
Changes in assets and liabilities:		
Due from related persons	196	2,895
Other assets	16,725	(8,642)
Accounts payable and other liabilities	8,686	(28,233)
Due to related persons	4,856	(53,395)
Net cash provided by operating activities	97,016	43,865
Cash flows from investing activities:		
Real estate acquisitions and deposits	(7,113)	(148,011)
Real estate improvements	(31,343)	(11,738)
Hotel managers' purchases with restricted cash	(48,969)	(46,361)
Hotel manager's deposit of insurance proceeds into restricted cash	15,000	—
Net proceeds from sale of real estate	8,010	308,200
Investment in Sonesta	(5,199)	—
Net cash (used in) provided by investing activities	(69,614)	102,090
Cash flows from financing activities:		
Borrowings under unsecured revolving credit facility	230,000	94,000
Repayments of unsecured revolving credit facility	(150,000)	(130,000)
Repurchase of common shares	(43)	—
Distributions to common shareholders	(88,863)	(87,154)
Net cash used in financing activities	(8,906)	(123,154)
Increase in cash and cash equivalents and restricted cash	18,496	22,801
Cash and cash equivalents and restricted cash at beginning of period	81,259	76,003
Cash and cash equivalents and restricted cash at end of period	\$ 99,755	\$ 98,804

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:

Cash and cash equivalents	\$ 55,218	\$ 23,675
Restricted cash	44,537	75,129
Total cash and cash equivalents and restricted cash	\$ 99,755	\$ 98,804

Supplemental cash flow information:

Cash paid for interest	\$ 78,994	\$ 77,745
Cash paid for income taxes	220	320

Non-cash investing activities:

Investment in Sonesta	\$	42,000	\$	—
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The accompanying notes are an integral part of these condensed consolidated financial statements.

SERVICE PROPERTIES TRUST
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except share data)
(Unaudited)

Note 1. Basis of Presentation

The accompanying condensed consolidated financial statements of Service Properties Trust and its subsidiaries, or SVC, we, our or us, are unaudited. Certain information and disclosures required by U.S. generally accepted accounting principles, or GAAP, for complete financial statements have been condensed or omitted. We believe the disclosures made are adequate to make the information presented not misleading. However, the accompanying condensed consolidated financial statements should be read in conjunction with the financial statements and notes contained in our Annual Report on Form 10-K for the year ended December 31, 2019, or our 2019 Annual Report. In the opinion of management, all adjustments, consisting of normal recurring accruals considered necessary for a fair statement of results for the interim period, have been included. These condensed consolidated financial statements include our accounts and the accounts of our subsidiaries, all of which are 100% owned directly or indirectly by us. All intercompany transactions and balances with or among our consolidated subsidiaries have been eliminated. Our operating results for interim periods and those of our managers and tenants are not necessarily indicative of the results that may be expected for the full year. Reclassifications have been made to the prior year's condensed consolidated financial statements to conform to the current year's presentation.

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates. Significant estimates in our condensed consolidated financial statements include the allowance for doubtful accounts, purchase price allocations, useful lives of fixed assets, impairment of real estate and the valuation of intangible assets.

We have determined that each of our wholly owned taxable REIT subsidiaries, or TRSs, is a variable interest entity, or VIE, as defined under the Consolidation Topic of the Financial Accounting Standards Board, or FASB, *Accounting Standards Codification*TM. We have concluded that we must consolidate each of our wholly owned TRSs because we are the entity with the power to direct the activities that most significantly impact such VIEs' performance and we have the obligation to absorb losses or the right to receive benefits from each VIE that could be significant to the VIE and are, therefore, the primary beneficiary of each VIE. The assets of our TRSs were \$28,628 and \$31,920 as of March 31, 2020 and December 31, 2019, respectively, and consist primarily of amounts due from and working capital advances to certain of our hotel managers. The liabilities of our TRSs were \$152,227 and \$138,708 as of March 31, 2020 and December 31, 2019, respectively, and consist primarily of security deposits they hold and amounts payable to certain of our hotel managers. The assets of our TRSs are available to satisfy our TRSs' obligations and we have guaranteed certain obligations of our TRSs.

Note 2. New Accounting Pronouncements

On January 1, 2020, we adopted FASB Accounting Standards Update, or ASU, No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires that entities use a new forward-looking "expected loss" model that generally will result in the earlier recognition of allowance for credit losses. The measurement of expected credit losses is based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. Lease related receivables are governed by the lease accounting under GAAP and are not subject to ASU No. 2016-13. We adopted this standard using the modified retrospective approach. The implementation of this standard did not have a material impact in our condensed consolidated financial statements.

Note 3. Revenue Recognition

We report hotel operating revenues for managed hotels in our condensed consolidated statements of comprehensive income. We generally recognize hotel operating revenues, consisting primarily of room and food and beverage sales, when goods and services are provided.

We report rental income for leased properties in our condensed consolidated statements of comprehensive income. We recognize rental income from operating leases on a straight-line basis over the term of the lease agreements. We reduced rental income by net \$3,543 and \$1,132 for the three months ended March 31, 2020 and 2019, respectively, to record scheduled rent changes under certain of our retail leases, the deferred rent obligations payable to us under our leases with TravelCenters of America Inc., or TA, and the estimated future payments to us under our TA leases for the cost of removing underground storage tanks at our travel centers on a straight-line basis. See Notes 6 and 10 for further information regarding our TA leases. Due from related persons includes \$43,710 and \$47,057 at March 31, 2020 and December 31, 2019, respectively, and other assets, net includes \$3,859 and \$4,054 of straight-line rent receivables at March 31, 2020 and December 31, 2019, respectively.

SERVICE PROPERTIES TRUST
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except share data)
(Unaudited)

Certain of our lease agreements require additional percentage rent if gross revenues of our properties exceed certain thresholds defined in our lease agreements. We may determine percentage rent due to us under our leases monthly, quarterly or annually, depending on the specific lease terms, and recognize it when all contingencies are met and the rent is earned. We had deferred estimated percentage rent of \$725 and \$1,069 for the three months ended March 31, 2020 and 2019, respectively.

We own all the FF&E reserve escrows for our hotels. We report deposits by our third-party tenants into the escrow accounts as FF&E reserve income. We do not report the amounts which are escrowed as reserves established for the regular refurbishment of our hotels, or FF&E reserves, for our managed hotels as FF&E reserve income.

Note 4. Weighted Average Common Shares

The following table provides a reconciliation of the weighted average number of common shares used in the calculation of basic and diluted earnings per share:

	For the Three Months Ended March 31,	
	2020	2019
	(in thousands)	
Weighted average common shares for basic earnings per share	164,370	164,278
Effect of dilutive securities: Unvested share awards	—	44
Weighted average common shares for diluted earnings per share	164,370	164,322

Note 5. Real Estate Properties

At March 31, 2020, we owned 329 hotels with 51,358 rooms or suites and 813 service-oriented retail properties with approximately 14.5 million square feet that are primarily subject to “triple net” leases, or net leases where the tenant is generally responsible for payment of operating expenses and capital expenditures of the property during the lease term. Our properties had an aggregate undepreciated carrying value of \$11,501,576, including \$56,688 classified as held for sale as of March 31, 2020.

During the three months ended March 31, 2020, we funded \$38,627 for improvements to certain of our properties which, pursuant to the terms of our management and lease agreements with our managers and tenants, resulted in increases in our contractual annual minimum returns and rents of \$2,531. See Note 6 for further information about our management and lease agreements and our fundings of improvements to certain of our properties.

Acquisitions

We acquired a portfolio of three net lease properties during the three months ended March 31, 2020. We accounted for this transaction as an acquisition of assets. Our allocation of the purchase price for this acquisition based on the estimated fair value of the acquired assets is presented in the table below.

Acquisition Date	Location	Purchase Price	Land	Building and Improvements	Furniture, Fixtures and Equipment	Intangible Assets / Liabilities, net
3/12/2020	Various ⁽¹⁾	\$ 7,071	\$ 880	\$ 5,363	\$ —	\$ 828

(1) On March 12, 2020, we acquired three net lease properties with approximately 6,696 square feet in two states with leases requiring an aggregate of \$387 of annual minimum rent for an aggregate purchase price of \$7,071, including acquisition related costs.

SERVICE PROPERTIES TRUST
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except share data)
(Unaudited)

Dispositions

We sold six net lease properties with an aggregate of 292,276 rentable square feet for aggregate proceeds of \$8,010, excluding closing costs, in six separate transactions during the three months ended March 31, 2020. The sales of these properties, as presented in the table below, do not represent significant dispositions individually or in the aggregate nor do they represent a strategic shift. As a result, the results of operations of these properties are included in continuing operations through the date of sale in our condensed consolidated statements of income. As a result of these sales, we recorded a net loss on sale of real estate of \$6,911 during the three months ended March 31, 2020.

Date of Sale	Number of Properties	Location	Tenant	Square Feet	Gross Sales Price
1/28/2020	1	Gothenburg, NE	Vacant	31,978	\$ 585
2/6/2020	1	Rochester, MN	Vacant	90,503	2,600
2/13/2020	1	Ainsworth, NE	Vacant	32,901	775
2/14/2020	1	Dekalb, IL	Vacant	5,052	1,050
3/2/2020	1	Eau Claire, MI	HOM Furniture, Inc. ⁽¹⁾	98,824	2,600
3/28/2020	1	Stillwater, OK	Vacant	33,018	400
				<u>292,276</u>	<u>\$ 8,010</u>

(1) The HOM Furniture, Inc. lease was scheduled to expire on April 30, 2020 and required annual minimum rent of \$817.

As of March 31, 2020, six properties with 799,041 square feet with leases requiring annual minimum rent of \$5,433 and an aggregate carrying value of \$56,688 were classified as held for sale. See Note 13 for further information on these properties. We entered into agreements to sell seven properties with approximately 821,068 square feet in six states with leases requiring an aggregate sales price of \$59,500, excluding closing costs. We expect these sales to be completed by the third quarter of 2020. See Note 13 for further information on these properties.

We were previously marketing for sale 20 Wyndham Hotels & Resorts, Inc., or Wyndham, branded hotels with an aggregate net carrying value of \$110,465 and 33 Marriott International, Inc., or Marriott hotels with an aggregate net carrying value of \$221,129 and were in the process of launching a marketing effort related to our 39 Sonesta ES Suites hotels, managed by Sonesta Holdco Corporation and its subsidiaries, or Sonesta, with an aggregate net carrying value of \$461,263. We currently expect the sales of these hotels will be delayed until later in 2020 or until 2021 as a result of current market conditions and these transactions may be delayed further or may not occur.

Note 6. Management Agreements and Leases

As of March 31, 2020, we owned 329 hotels which were included in six operating agreements and 813 service orientated retail properties net leased to 187 tenants. We do not operate any of our properties.

Hotel agreements

As of March 31, 2020, 328 of our hotels were leased to our TRSs and managed by independent hotel operating companies and one hotel was leased to a third party. As of March 31, 2020, our hotel properties were managed by or leased to separate subsidiaries of InterContinental Hotels Group, plc, or IHG, Marriott, Sonesta, Hyatt Hotels Corporation, or Hyatt, Radisson Hospitality, Inc., or Radisson, and Wyndham, under six agreements. These hotel agreements have initial terms expiring between 2020 and 2037. Each of these agreements is for between nine and 122 of our hotels. In general, the agreements contain renewal options for all, but not less than all, of the affected properties included in each agreement, and the renewal terms range between 15 to 60 years. Most of these agreements require the third party manager or tenant to: (1) make payments to us of minimum returns or minimum rents; (2) deposit a percentage of total hotel sales into FF&E reserves; and (3) for our managed hotels, make payments to our TRSs of additional returns to the extent of available cash flows after payment of operating expenses, funding of the FF&E reserves, payment of our minimum returns, payment of certain management fees, reimbursement of working capital advances and replenishment of security deposits or guarantees, as applicable. Some of our managers or tenants or their affiliates have provided deposits or guarantees to secure their obligations to pay us.

SERVICE PROPERTIES TRUST
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except share data)
(Unaudited)

IHG agreement. Our management agreement with IHG for 103 hotels, or our IHG agreement, provides that, as of March 31, 2020, we are to be paid annual minimum returns and rents of \$216,551. We realized minimum returns and rents of \$54,085 and \$49,584 during the three months ended March 31, 2020 and 2019, respectively, under this agreement.

Pursuant to our IHG agreement, IHG has provided us with a security deposit to cover minimum payment shortfalls, if any. Under this agreement, IHG is required to maintain a minimum security deposit of \$37,000 and this security deposit may be replenished and increased up to \$100,000 from a share of future cash flows from the hotels in excess of our minimum returns and rents, working capital advances and certain management fees. During the three months ended March 31, 2020, we reduced the available security deposit by \$33,654 to cover shortfalls in hotel cash flows available to pay the minimum returns and rents due to us for the period. The available balance of this security deposit was \$42,063 as of March 31, 2020.

We funded \$3,900 for capital improvements to certain of the hotels included in our IHG agreement during the three months ended March 31, 2020, which resulted in increases in our contractual annual minimum returns of \$312. We did not fund any capital improvements for hotels included in our IHG agreement during the three months ended March 31, 2019.

In April 2020, we funded \$37,000 of working capital advances under our IHG agreement to cover projected operating losses at our hotels managed by IHG. This working capital advance is reimbursable to us from a share of future cash flows from the hotel operations in excess of the minimum returns due to us, if any, pursuant to the terms of the IHG agreement.

Our IHG agreement requires 5% of gross revenues from hotel operations be placed in escrow for hotel maintenance and periodic renovations, or an FF&E reserve. As a result of current market conditions, effective March 1, 2020, we and IHG have agreed to suspend contributions to the FF&E reserve under our IHG agreement for the remainder of 2020.

Marriott agreement. Our management agreement with Marriott for 122 hotels, or our Marriott agreement, provides that, as of March 31, 2020, we are to be paid annual minimum returns of \$190,603. We realized minimum returns of \$47,648 and \$45,235 during the three months ended March 31, 2020 and 2019, respectively, under this agreement. Pursuant to our Marriott agreement, Marriott has provided us with a security deposit to cover minimum return payment shortfalls, if any. Under this agreement, this security deposit, if utilized, may be replenished and increased up to \$64,700 from 60% of the cash flows realized from operations of the 122 hotels after payment of the aggregate annual minimum returns, Marriott's base management fees and working capital advances. During the three months ended March 31, 2020, we reduced the available security deposit by \$28,655 to cover shortfalls in hotel cash flows available to pay the minimum returns due to us for the period. The available balance of this security deposit was \$4,790 as of March 31, 2020. Pursuant to our Marriott agreement, Marriott has also provided us with a limited guaranty which expires in 2026 for shortfalls of up to 85% of our minimum returns, if and after the available security deposit has been depleted. The available balance of the guaranty was \$30,000 as of March 31, 2020.

We funded \$300 and \$22,593 for capital improvements to certain of the hotels included in our Marriott agreement during the three months ended March 31, 2020 and 2019, respectively, which resulted in increases in our contractual annual minimum returns of \$30 and \$2,169, respectively.

We and Marriott identified 33 of the 122 hotels covered by our Marriott agreement that will be sold or rebranded, at which time we would retain the proceeds of any such sales and the aggregate annual minimum returns due to us would decrease by the amount allocated to the applicable hotel.

In April 2020, we funded \$30,000 of working capital advances under our Marriott agreement to cover projected operating losses at our hotels managed by Marriott. This working capital advance is reimbursable to us from a share of future cash flows from the hotel operations in excess of the minimum returns due to us and Marriott's base management fees, if any, pursuant to the terms of our Marriott agreement.

Our Marriott agreement requires 5.5% to 6.5% of gross revenues from hotel operations be placed in an FF&E reserve. As a result of current market conditions, we and Marriott have agreed to suspend contributions to the FF&E reserve under our Marriott agreement for six months effective March 1, 2020.

SERVICE PROPERTIES TRUST
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except share data)
(Unaudited)

Sonesta agreement. As of March 31, 2020, Sonesta managed 14 of our full-service hotels and 39 of our extended stay hotels pursuant to management agreements for each of the hotels, which we refer to collectively as our Sonesta agreement, and a pooling agreement, which combines those management agreements for purposes of calculating gross revenues, payment of hotel operating expenses, payment of fees and distributions and minimum returns due to us.

On February 27, 2020, we entered into a transaction agreement with Sonesta pursuant to which we and Sonesta restructured our existing business arrangements as follows:

- We amended and restated our then existing Sonesta agreement, and our existing pooling agreement with Sonesta, which combines our management agreements with Sonesta for purposes of calculating gross revenues, payment of hotel operating expenses, payment of fees and distributions and minimum returns due to us, as further described below;
- We and Sonesta agreed to sell, rebrand or repurpose our 39 extended stay hotels currently managed by Sonesta with an aggregate carrying value of \$461,263 and which currently require aggregate minimum returns of \$48,239. As the hotels are sold, rebranded or repurposed, the management agreement for the applicable hotel(s) will terminate without our being required to pay Sonesta a termination fee and our annual minimum returns due to us under our Sonesta agreement will decrease by the amount allocated to the applicable hotel(s);
- Sonesta will continue to manage 14 of our full-service hotels that Sonesta currently manages and the annual minimum returns due for these hotels was reduced from \$99,013 to \$69,013;
- Sonesta issued to us a number of its shares of common stock representing approximately (but not more than) 34% of its outstanding shares of common stock (post-issuance) and we entered into a stockholders agreement with Sonesta, Adam Portnoy and the other stockholder of Sonesta and a registration rights agreement with Sonesta;
- We and Sonesta modified our Sonesta agreement and pooling agreement so that 5% of the hotel gross revenues of each of our 14 full-service hotels managed by Sonesta will be escrowed for future capital expenditures as “FF&E reserves,” subject to available cash flows after payment of the annual minimum returns due to us under the Sonesta agreement;
- We and Sonesta modified our Sonesta agreement and pooling agreement so that (1) our termination rights under those agreements for our 14 full-service hotels managed by Sonesta are generally limited to performance and for “cause,” casualty and condemnation events, (2) a portfolio wide performance test now applies for determining whether the management agreement for any of our full-service hotels managed by Sonesta may be terminated for performance reasons, and (3) the provisions included in our historical pooling agreement that allowed either us or Sonesta to require the marketing for sale of non-economic hotels were removed; and
- We and Sonesta extended the initial expiration date of the management agreements for our full-service hotels managed by Sonesta located in Chicago, IL and Irvine, CA to January 2037 to align with the initial expiration date for our other full-service hotels managed by Sonesta.

Except as described above, the economic terms of our amended and restated Sonesta agreement and amended and restated pooling agreement are consistent with the historical Sonesta agreement and pooling agreement.

We previously leased 48 vacation units to Wyndham Destinations, Inc. (NYSE: WYND), at our full service hotel located in Chicago, IL, which Sonesta began managing in November 2019 and which had previously been managed by Wyndham. Effective March 1, 2020, Sonesta commenced managing those units and those units were added to our Sonesta agreement for that Chicago hotel.

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Our Sonesta agreement provides that we are paid a fixed annual minimum return equal to 8% of our invested capital, as defined therein, if gross revenues of the hotels, after payment of hotel operating expenses and management and related fees (other than Sonesta's incentive fee, if applicable), are sufficient to do so. Our fixed annual minimum return under our Sonesta agreement was \$118,941 as of March 31, 2020. Our Sonesta agreement further provides that we are paid an additional return based upon operating profits, as defined therein, after reimbursement of owner or manager advances, FF&E reserve escrows and Sonesta's incentive fee, if applicable. Our Sonesta hotels generated a net operating cash flow deficit of \$8,146 and returns of \$14,161 during the three months ended March 31, 2020 and 2019, respectively. We do not have any security deposits or guarantees for our Sonesta hotels. Accordingly, the returns we receive from our Sonesta hotels are limited to the hotels' available cash flows, if any, after payment of operating expenses, including management and related fees. In addition to our minimum returns, the management agreement provides for payment of 80% of hotel cash flows after payment of hotel operating expenses including certain management fees to Sonesta, our minimum return, working capital advances and any FF&E reserves.

In May 2020, Sonesta requested a \$7,408 working capital advance under our Sonesta agreement to cover projected operating losses at our hotels managed by Sonesta. This working capital advance will be reimbursable to us from a share of future cash flows from the hotel operations in excess of the minimum returns due to us, if any, pursuant to the terms of the Sonesta agreement. We expect to fund this advance in May 2020.

Pursuant to our Sonesta agreement, we incurred management, reservation and system fees and reimbursement costs for certain guest loyalty, marketing program and third-party reservation transmission fees of \$6,779 and \$8,523 for the three months ended March 31, 2020 and 2019, respectively. In addition, we incurred procurement and construction supervision fees of \$633 and \$405 for the three months ended March 31, 2020 and 2019, respectively, pursuant to our Sonesta agreement. These amounts are included in hotel operating expenses or have been capitalized, as appropriate, in our condensed consolidated financial statements.

Our Sonesta agreement does not require FF&E escrow deposits for our extended stay hotels managed by Sonesta and, prior to February 27, 2020, did not require FF&E escrow deposits for our full-service hotels managed by Sonesta, but does and did, as applicable, require us to fund capital expenditures that we approve or approved at our Sonesta hotels. No FF&E escrow deposits were required during the three months ended March 31, 2020. We funded \$29,036 and \$10,467 for renovations and other capital improvements to certain hotels included in our Sonesta agreement during the three months ended March 31, 2020 and 2019, respectively, which resulted in increases in our contractual annual minimum returns of \$2,141 and \$484, respectively. We owed Sonesta \$13,323 and \$9,226 for capital expenditure and other reimbursements at March 31, 2020 and 2019, respectively. Amounts due from Sonesta are included in due from related persons and amounts owed to Sonesta are included in due to related persons in our condensed consolidated balance sheets.

Accounting for Investment in Sonesta:

We account for our 34% non-controlling interest in Sonesta under the equity method of accounting. As of March 31, 2020, our investment in Sonesta had a carrying value of \$46,481. This amount is included in other assets in our condensed consolidated balance sheets. The cost basis of our investment in Sonesta exceeded our proportionate share of Sonesta's total shareholders' equity book value on the date of acquisition by an aggregate of \$8,000. As required under GAAP, we were amortizing this difference to equity in earnings of an investee over the average remaining useful lives of the real estate assets and intangible assets and liabilities owned by Sonesta as of the date of our acquisition, February 27, 2020. We recognized losses of \$718 related to our investment in Sonesta for the three months ended March 31, 2020. This amount is presented as equity in earnings (losses) of an investee in our condensed consolidated statements of comprehensive income.

We recorded a liability for the fair value of our initial investment in Sonesta, as no cash consideration was exchanged related to the modification of our management agreement with, and investment in, Sonesta. We are amortizing this amount as described below. This liability for our investment in Sonesta is included in accounts payable and other liabilities in our condensed consolidated balance sheet and is being amortized on a straight-line basis through January 31, 2037, the remaining term of the Sonesta agreement as a reduction to hotel operating expenses in our condensed consolidated statements of comprehensive income. We reduced hotel operating expenses by \$207 for the three months ended March 31, 2020 for amortization of this liability. As of March 31, 2020, the unamortized balance of this liability was \$41,793.

See Note 10 for further information regarding our relationship, agreements and transactions with Sonesta.

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Hyatt agreement. Our management agreement with Hyatt for 22 hotels, or our Hyatt agreement, provides that, as of March 31, 2020, we are to be paid an annual minimum return of \$22,037. We realized minimum returns of \$5,509 during each of the three months ended March 31, 2020 and 2019, under this agreement. Pursuant to our Hyatt agreement, Hyatt has provided us with a guaranty, which is limited to \$50,000. During the three months ended March 31, 2020, the hotels under this agreement generated cash flows that were less than the minimum returns due to us for the period, and Hyatt made \$3,628 of guaranty payments to cover the shortfall. The available balance of the guaranty was \$16,026 as of March 31, 2020. In addition to our minimum returns, this management agreement provides for payment to us of 50% of the hotels' available cash flows after payment of operating expenses, funding required FF&E reserves, payment of our minimum return, our working capital advances and reimbursement to Hyatt of working capital and guaranty advances.

In April 2020, we funded \$1,300 of working capital advances under our Hyatt agreement to cover projected operating losses at our hotels managed by Hyatt. This working capital advance is reimbursable to us from a share of future cash flows from the hotel operations in excess of the minimum returns due to us, if any, pursuant to the terms of the Hyatt agreement. In May, 2020, Hyatt requested an additional \$1,300 working capital advance. We expect to fund this advance in May 2020.

Our Hyatt agreement requires 5% of gross revenues from hotel operations be placed in an FF&E reserve. As a result of current market conditions, effective March 1, 2020, we and Hyatt have agreed to suspend contributions to the FF&E reserve under our Hyatt agreement for the remainder of 2020.

Radisson agreement. Our management agreement with Radisson for nine hotels, or our Radisson agreement, provides that, as of March 31, 2020, we are to be paid an annual minimum return of \$20,442. We realized minimum returns of \$5,111 and \$4,831 during the three months ended March 31, 2020 and 2019, respectively, under this agreement. Pursuant to our Radisson agreement, Radisson has provided us with a guaranty, which is limited to \$47,523. During the three months ended March 31, 2020, the hotels under this agreement generated cash flows that were less than the minimum returns due to us for the period, and Radisson made \$4,569 of guaranty payments to cover the shortfall. The available balance of the guaranty was \$36,647 as of March 31, 2020. In addition to our minimum returns, our Radisson 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, our working capital advances and reimbursement to Radisson of working capital and guaranty advances, if any.

Our Radisson agreement requires 5% of gross revenues from hotel operations be placed in an FF&E reserve. As a result of current market conditions, effective April 1, 2020, we and Radisson have agreed to suspend contributions to the FF&E reserve under our Radisson agreement for the remainder of 2020.

Wyndham agreements. Our management agreement with Wyndham for 20 hotels, or our Wyndham agreement expires on September 30, 2020 unless sooner terminated with respect to any hotels that are sold or rebranded. Wyndham is required to pay us all cash flows of the hotels after payment of hotel operating costs. Wyndham is not entitled to any base management fees for the remainder of the agreement term. Our Wyndham hotels generated a net operating cash flow deficit of \$1,081 and returns of \$5,907 during the three months ended March 31, 2020 and 2019, respectively.

We funded \$1,212 and \$1,022 for capital improvements at certain of the hotels included in our Wyndham agreement during the three months ended March 31, 2020 and 2019, respectively.

In April 2020, we funded \$2,423 of working capital advances under our Wyndham agreement to cover projected operating losses at our hotels managed by Wyndham.

Net lease portfolio

As of March 31, 2020, we owned 813 net lease service-oriented retail properties with 14.5 million square feet with leases requiring annual minimum rents of \$379,503 with a weighted (by annual minimum rents) average remaining lease term of 11.1 years. The portfolio was 98% leased by 187 tenants operating under 128 brands in 22 distinct industries.

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TA leases

TA is our largest tenant. As of March 31, 2020, we leased to TA a total of 179 travel centers under five leases that expire between 2029 and 2035 and require annual minimum rents of \$246,110 which represents approximately 25.5% of our total annual minimum returns and rents as of March 31, 2020. In addition, TA is required to pay us previously deferred rent obligations in quarterly installments of \$4,404 through January 31, 2023. TA paid \$4,404 of deferred rent to us for the three months ended March 31, 2020. The remaining balance of previously deferred rents was \$52,843 as of March 31, 2020.

We recognized rental income from TA of \$61,528 and \$63,075 for the three months ended March 31, 2020 and 2019, respectively. Rental income for the three months ended March 31, 2020 and 2019 includes \$3,344 and \$1,214 respectively, of adjustments to record the deferred rent obligations under our TA leases and the estimated future payments to us by TA for the cost of removing underground storage tanks on a straight-line basis. As of March 31, 2020 and December 31, 2019, we had receivables for current rent amounts owed to us by TA and straight-line rent adjustments of \$65,109 and \$79,710, respectively. These amounts are included in due from related persons in our condensed consolidated balance sheets.

Our TA leases do not require FF&E escrow deposits. However, TA is required to maintain the leased travel centers, including structural and non-structural components.

Under our TA leases, TA may request that we fund capital improvements in return for increases in TA's annual minimum rent equal to 8.5% of the amounts funded. We did not fund any capital improvements to our properties that we leased to TA during the three months ended March 31, 2020 or 2019.

In addition to the rental income that we recognized during the three months ended March 31, 2020 and 2019 as described above, our TA leases require TA to pay us percentage rent based upon increases in certain sales. We determine percentage rent due under our TA leases annually and recognize any resulting amount as rental income when all contingencies are met. We had aggregate deferred percentage rent under our TA leases of \$725 and \$1,069 for the three months ended March 31, 2020 and 2019, respectively.

See Note 10 for further information regarding our relationship with TA.

Other net lease agreements

Our net lease agreements generally provide for minimum rent payments and in addition may include variable payments. Rental income from operating leases, including any payments derived by index or market-based indices, is recognized on a straight-line basis over the lease term when we have determined that the collectability of substantially all of the lease payments is probable. Some of our leases have options to extend or terminate the lease exercisable at the option of our tenants, which are considered when determining the lease term. We recognized rental income from our 634 other net lease properties of \$36,653 for the three months ended March 31, 2020, which include \$1,701 of adjustments to record scheduled rent changes under certain of our leases on a straight-line basis.

As a result of the COVID-19 pandemic, some of our tenants have requested rent assistance. We have entered into rent deferral agreements with 84 net lease retail tenants with leases requiring an aggregate of \$61,963 of annual minimum rents. Generally these rent deferrals are for one to three months of rent and will be payable by the tenants over a 12 month period beginning in September 2020. We have deferred an aggregate of \$8,584 of rent as of May 7, 2020.

Guarantees and security deposits generally. When we reduce the amounts of the security deposits 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 security deposits upon expiration of the applicable operating agreement. The security deposits are non-interest bearing and are not held in escrow. Under these agreements, any amount of the security deposits which are applied to payment deficits may be replenished from a share of future cash flows from the applicable hotel operations pursuant to the terms of the applicable agreements.

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Certain of our managed hotel portfolios had net operating results that were, in the aggregate, \$118,064 and \$42,839 less than the minimum returns due to us for the three months ended March 31, 2020 and 2019, 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 comprehensive income as a reduction of hotel operating expenses. We reduced hotel operating expenses by \$75,927 and \$22,465 for the three months ended March 31, 2020 and 2019, respectively. We had shortfalls at certain of our managed hotel portfolios not funded by the managers of these hotels under the terms of our management agreements of \$47,755 and \$20,676 for the three months ended March 31, 2020 and 2019, respectively, which represent the unguaranteed portions of our minimum returns from our Sonesta and Wyndham agreements.

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 respective 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 comprehensive income as an increase to hotel operating expenses. There were no guaranty or security deposit replenishments for the three months ended March 31, 2020 or 2019.

Note 7. Indebtedness

Our principal debt obligations at March 31, 2020 were: (1) \$457,000 of outstanding borrowings under our \$1,000,000 unsecured revolving credit facility; (2) our \$400,000 unsecured term loan; and (3) \$5,350,000 aggregate outstanding principal amount of senior unsecured notes. Our revolving credit facility and our term loan are governed by a credit agreement with a syndicate of institutional lenders.

Our \$1,000,000 revolving credit facility is available for general business purposes, including acquisitions. The maturity date of our revolving credit facility is July 15, 2022, and, subject to the payment of an extension fee and meeting certain other conditions, we have an option to extend the maturity date of the facility for two additional six-month periods. We can borrow, repay and reborrow funds available under our revolving credit facility until maturity, and no principal repayment is due until maturity. We are required to pay interest on borrowings under our revolving credit facility at the rate of LIBOR plus a premium, which was 120 basis points per annum as of March 31, 2020. We also pay a facility fee, which was 25 basis points per annum at March 31, 2020, on the total amount of lending commitments under our revolving credit facility. Both the interest rate premium and the facility fee are subject to adjustment based upon changes to our credit ratings. As of March 31, 2020, the annual interest rate payable on borrowings under our revolving credit facility was 1.85%. The weighted average annual interest rate for borrowings under our revolving credit facility was 2.60% and 3.41% for three months ended March 31, 2020 and 2019, respectively. As of March 31, 2020, we had \$457,000 outstanding and \$543,000 available under our revolving credit facility. As of May 7, 2020, we had \$500,000 outstanding and \$500,000 available to borrow under our revolving credit facility.

Our \$400,000 term loan, which matures on July 15, 2023, is prepayable without penalty at any time. We are required to pay interest on the amount outstanding under our term loan at the rate of LIBOR plus a premium, which was 135 basis points per annum as of March 31, 2020. The interest rate premium is subject to adjustment based on changes to our credit ratings. As of March 31, 2020, the annual interest rate for the amount outstanding under our term loan was 2.93%. The weighted average annual interest rate for borrowings under our term loan was 3.03% and 3.60% for the three months ended March 31, 2020 and 2019, respectively.

Our credit agreement also includes a feature under which maximum aggregate borrowings may be increased to up to \$2,300,000 on a combined basis in certain circumstances. Our credit agreement and our unsecured senior notes indentures and their supplements provide for acceleration of payment of all amounts outstanding upon the occurrence and continuation of certain events of default, such as, in the case of our credit agreement, a change of control of us, which includes The RMR Group LLC, or RMR LLC, ceasing to act as our business manager. Our credit agreement and our unsecured senior notes indentures and their supplements also contain covenants, including those that restrict our ability to incur debts or to make distributions under certain circumstances and generally require us to maintain certain financial ratios. We believe we were in compliance with the terms and conditions of our credit agreement and our unsecured senior notes indentures and their supplements at March 31, 2020.

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On May 8, 2020, we amended the credit agreement governing our \$1,000,000 unsecured revolving credit facility and \$400,000 unsecured term loan. The amendment provides a waiver of certain of the financial covenants under our credit agreement through March 31, 2021, or the Waiver Period during which, subject to certain conditions, we will continue to have access to undrawn amounts under the credit facility.

During the Waiver Period, and continuing thereafter until such time as we have demonstrated compliance with certain of our financial covenants as of June 30, 2021:

- we will be required to maintain unrestricted liquidity (unrestricted cash or undrawn availability under our \$1,000,000 revolving credit facility) of not less than \$125,000;
- our interest rate premium over LIBOR under our revolving credit facility and term loan will be increased by 50 basis points;
- our ability to pay distributions on our common shares will be limited to amounts required to maintain our qualification for taxation as a real estate investment trust, or REIT, and to avoid the payment of certain income and excise taxes, and to pay a cash dividend of \$0.01 per common share per quarter;
- we will be subject to certain additional covenants, including additional restrictions on our ability to incur indebtedness (with exceptions for borrowings under our revolving credit facility and certain other categories of secured and unsecured indebtedness), and to acquire real property or make other investments (with exceptions for, among other things, certain categories of capital expenditures and costs, and certain share purchases); and
- we will generally be required to apply the net cash proceeds from the disposition of assets, capital markets transactions, debt refinancings or COVID-19 government stimulus programs to the repayment of outstanding loans under the credit agreement.

We have provided equity pledges on certain of our property owning subsidiaries to secure our obligations under the credit agreement. We will be required to pledge the equity of additional property owning subsidiaries in the event that the ratio of the outstanding amount of the loans and other credit extensions under the credit agreement to the undepreciated book value of real property owned by the pledged subsidiaries, or the Collateral Value Percentage, exceeds 50%. These pledges are subject to release in full, (i) subject to the satisfaction of certain conditions, including, among other things, our having complied with the financial covenants under the credit agreement for two fiscal quarters following the end of the Waiver Period or (ii) in connection with our having issued at least \$500,000 of unsecured notes with an initial term of five years, or a Qualified Note Issuance, provided that, among other conditions, the outstanding amount of the revolving facility does not exceed \$750,000 and the term loan has been paid in full. If, following a release of pledges in connection with Qualified Note Issuance, a request for a borrowing under the revolving facility would result in more than \$750,000 outstanding under the revolving facility, we are required to deliver new equity pledges such that the Collateral Value Percentage is no more than 50%. We have the right to substitute collateral and otherwise obtain the release of pledged subsidiaries in certain circumstances. While the equity pledges remain in effect, we will remain subject to the restrictions on our ability to pay distributions on our common shares that are described above.

Note 8. Shareholders' Equity

Distributions

On February 20, 2020, we paid a regular quarterly distribution to our common shareholders of record on January 27, 2020 of \$0.54 per share, or \$88,863. On March 30, 2020 we declared a regular quarterly distribution to common shareholders of record on April 21, 2020 of \$0.01 per share, or \$1,646. We expect to pay this amount on or about May 21, 2020.

Share Awards

On February 27, 2020, in accordance with our Trustee compensation arrangements, we granted 3,000 of our common shares, valued at \$18.64 per common share, the closing price of our common shares on The Nasdaq Stock Market LLC, or Nasdaq, on that day to each of our two new Trustees as part of their annual compensation.

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Share Repurchases

During the quarter ended March 31, 2020, we purchased an aggregate of 2,637 of our common shares valued at a weighted average price per common share of \$16.36, based on the closing price of our common shares on Nasdaq, on the date of repurchase, from certain former employees of RMR LLC, in satisfaction of tax withholding and payment obligations in connection with the vesting of awards of our common shares.

Note 9. Business and Property Management Agreements with RMR LLC

We have no employees. The personnel and various services we require to operate our business are provided to us by RMR LLC. We have two agreements with RMR LLC to provide management services to us: (1) a business management agreement, which relates to our business generally, and (2) a property management agreement, which relates to our property level operations of our net lease portfolio, excluding properties leased to TA, and the office building component of one of our hotels.

Pursuant to our business management agreement, we recognized net business management fees of \$10,560 and \$9,727 for the three months ended March 31, 2020 and 2019, respectively. Based on our common share total return, as defined in our business management agreement, as of each of March 31, 2020 and 2019, no incentive fees are included in the net business management fees we recognized for the three months ended March 31, 2020 or 2019. The actual amount of annual incentive fees for 2020, if any, will be based on our common share total return, as defined in our business management agreement, for the three-year period ending December 31, 2020, and will be payable in 2021. We did not incur an incentive fee payable to RMR LLC for the year ended December 31, 2019. We include business management fee amounts in general and administrative expenses in our condensed consolidated statements of comprehensive income.

Pursuant to our property management agreement with RMR LLC, we recognized property management and construction supervision fees of \$1,020 and \$11 for the three months ended March 31, 2020 and 2019, respectively. These amounts are included in other operating expenses or have been capitalized, as appropriate, in our condensed consolidated statements of comprehensive income.

We are generally responsible for all our operating expenses, including certain expenses incurred or arranged by RMR LLC on our behalf. We are generally not responsible for payment of RMR LLC's employment, office or administrative expenses incurred to provide management services to us, except for the employment and related expenses of RMR LLC employees assigned to work exclusively or partly at our net lease properties (excluding properties leased to TA) and the office building component of one of our hotels, our share of the wages, benefits and other related costs of RMR LLC's centralized accounting personnel, our share of RMR LLC's costs for providing our internal audit function, and as otherwise agreed. We reimbursed RMR LLC \$127 and \$200 for these expenses and costs for the three months ended March 31, 2020 and 2019, respectively. We included these amounts in other operating expenses and selling, general and administrative expenses, as applicable, in our condensed consolidated statements of comprehensive income.

Note 10. Related Person Transactions

We have relationships and historical and continuing transactions with TA, Sonesta, RMR LLC, The RMR Group Inc., or RMR Inc., and others affiliated with them, including other companies to which RMR LLC or its subsidiaries provide management services and some of which have trustees, directors or officers who are also our Trustees or officers. RMR LLC is a majority owned subsidiary of RMR Inc. The Chair of our Board of Trustees and one of our Managing Trustees, Adam D. Portnoy, as the sole trustee of ABP Trust, is the controlling shareholder of RMR Inc. and is a managing director and the president and chief executive officer of RMR Inc. and an officer and employee of RMR LLC. John G. Murray, our other Managing Trustee and President and Chief Executive Officer also serves as an officer and employee of RMR LLC. Some of our Independent Trustees also serve as independent trustees or independent directors of other public companies to which RMR LLC or its subsidiaries provide management services. Adam Portnoy serves as chair of the boards of trustees or boards of directors of several of these public companies and as a managing director or managing trustee of these public companies. Other officers of RMR LLC, including Mr. Murray and certain of our other officers, serve as managing trustees, managing directors or officers of certain of these companies.

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TA. TA is our largest tenant and property operator, leasing 26.6% of our gross carrying value of real estate properties as of March 31, 2020. We lease 179 of our travel centers to TA under the TA leases. We are also TA's largest shareholder; as of March 31, 2020, we owned 684,000 shares of TA common stock, representing approximately 8.2% of TA's outstanding shares of common stock. RMR LLC provides management services to both us and TA, and Adam D. Portnoy, also serves as the chair of the board of directors and as a managing director of TA and as of March 31, 2020 beneficially owned through RMR LLC 298,538 shares of TA common stock, representing approximately 3.6% of TA's outstanding shares of common stock. See Note 6 for further information regarding our relationships, agreements and transactions with TA and Note 13 for further information regarding our investment in TA.

Sonesta. Sonesta is a private company that is majority owned by Adam D. Portnoy, one of our Managing Trustees who also serves as one of Sonesta's directors, and a person related to him. One of Sonesta's other directors is our other Managing Trustee, President and Chief Executive Officer and Sonesta's other director serves as RMR LLC's and RMR Inc.'s executive vice president, general counsel and secretary and as our Secretary. Sonesta's chief executive officer and chief financial officer are officers of RMR LLC. Certain other officers and employees of Sonesta are former employees of RMR LLC. RMR LLC also provides certain services to Sonesta. As of March 31, 2020, we owned approximately 34% of Sonesta which managed 53 of our hotels pursuant to our Sonesta agreement. See Note 6 for further information regarding our relationships, agreements and transactions with Sonesta.

Our Manager, RMR LLC. We have two agreements with RMR LLC to provide management services to us. See Note 9 for further information regarding our management agreements with RMR LLC.

Affiliates Insurance Company, or AIC. Until its dissolution on February 13, 2020, we, ABP Trust, TA and four other companies to which RMR LLC provides management services owned AIC, an Indiana insurance company, in equal amounts. Certain of our Trustees and certain trustees or directors of the other AIC shareholders served on the board of directors of AIC until its dissolution.

We and the other AIC shareholders historically participated in a combined property insurance program arranged and insured or reinsured in part by AIC. The policies under that program expired on June 30, 2019, and we and the other AIC shareholders elected not to renew the AIC property insurance program; we have instead purchased standalone property insurance coverage with unrelated third party insurance providers.

As of March 31, 2020 and December 31, 2019, our investment in AIC had a carrying value of \$298. These amounts are included in other noncurrent assets in our condensed consolidated balance sheets. We did not record any income for the three months ended March 31, 2020. We recognized income of \$404 related to our investment in AIC for the three months ended March 31, 2019 which amount is included in equity in earnings of an investee in our condensed consolidated statements of operations and comprehensive loss. Our other comprehensive income (loss) attributable to common shareholders for the three months ended March 31, 2019 includes our proportionate share of unrealized gains and losses on securities held for sale, which were then owned by AIC, related to our investment in AIC.

For further information about these and certain other such relationships and certain other related person transactions, refer to our 2019 Annual Report.

Note 11. Income Taxes

We have elected to be taxed as a REIT under the United States Internal Revenue Code of 1986, as amended, or the IRC, and, as such, are generally not subject to federal and most state income taxation on our operating income provided we distribute our taxable income to our shareholders and meet certain organization and operating requirements. We are subject to income tax in Canada, Puerto Rico and certain states despite our qualification for taxation as a REIT. Further, we lease our managed hotels to our wholly owned TRSs that, unlike most of our subsidiaries, file a separate consolidated tax return and are subject to federal, state and foreign income taxes. Our consolidated income tax provision includes the income tax provision related to the operations of our TRSs and certain state and foreign income taxes incurred by us despite our qualification for taxation as a REIT.

During the three months ended March 31, 2020, we recognized income tax expense of \$342 which includes \$51 of foreign taxes and \$291 of state taxes. During the three months ended March 31, 2019, we recognized income tax expense of \$1,059 which includes \$315 of foreign taxes and \$744 of state taxes.

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Note 12. Segment Information

We aggregate our hotels and net lease portfolio into two reportable segments, hotel investments and net lease investments, based on their similar operating and economic characteristics.

	For the Three Months Ended March 31, 2020			
	Hotels	Net Lease	Corporate	Consolidated
Revenues:				
Hotel operating revenues	\$ 383,503	\$ —	\$ —	\$ 383,503
Rental income	807	99,265	—	100,072
FF&E reserve income	201	—	—	201
Total revenues	384,511	99,265	—	483,776
Expenses:				
Hotel operating expenses	271,148	—	—	271,148
Other operating expenses	—	3,759	—	3,759
Depreciation and amortization	67,669	60,257	—	127,926
General and administrative	—	—	14,024	14,024
Loss on asset impairment	—	16,740	—	16,740
Total expenses	338,817	80,756	14,024	433,597
Gain (loss) on sale of real estate	—	(6,911)	—	(6,911)
Unrealized losses on equity securities	—	—	(5,045)	(5,045)
Interest income	147	—	115	262
Interest expense	—	—	(71,075)	(71,075)
Income (loss) before income taxes and equity in earnings of an investee	45,841	11,598	(90,029)	(32,590)
Income tax expense	—	—	(342)	(342)
Equity in losses of an investee	—	—	(718)	(718)
Net income (loss)	\$ 45,841	\$ 11,598	\$ (91,089)	\$ (33,650)
As of March 31, 2020				
	Hotels	Net Lease	Corporate	Consolidated
Total assets	\$ 4,846,566	\$ 3,960,512	\$ 189,545	\$ 8,996,623

SERVICE PROPERTIES TRUST
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except share data)
(Unaudited)

	For the Three Months Ended March 31, 2019			
	Hotels	Net Lease	Corporate	Consolidated
Revenues:				
Hotel operating revenues	\$ 454,863	\$ —	\$ —	\$ 454,863
Rental income	5,598	63,075	—	68,673
FF&E reserve income	1,372	—	—	1,372
Total revenues	461,833	63,075	—	524,908
Expenses:				
Hotel operating expenses	317,685	—	—	317,685
Other operating expenses	—	1,440	—	1,440
Depreciation and amortization	66,583	32,782	—	99,365
General and administrative	—	—	12,235	12,235
Total expenses	384,268	34,222	12,235	430,725
Gain on sale of real estate	—	159,535	—	159,535
Dividend income	—	—	876	876
Unrealized gains and losses on equity securities, net	—	—	20,977	20,977
Interest income	434	—	203	637
Interest expense	—	—	(49,766)	(49,766)
Income (loss) before income taxes and equity in earnings of an investee	77,999	188,388	(39,945)	226,442
Income tax expense	—	—	(1,059)	(1,059)
Equity in earnings of an investee	—	—	404	404
Net income (loss)	\$ 77,999	\$ 188,388	\$ (40,600)	\$ 225,787
As of December 31, 2019				
	Hotels	Net Lease	Corporate	Consolidated
Total assets	\$ 4,866,549	\$ 4,042,831	\$ 124,587	\$ 9,033,967

Note 13. Fair Value of Assets and Liabilities

The table below presents certain of our assets and liabilities carried at fair value at March 31, 2020, categorized by the level of inputs, as defined in the fair value hierarchy under GAAP, used in the valuation of each asset or liability.

Description	Carrying Value at March 31, 2020	Fair Value at Reporting Date Using			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
		(Level 1)	(Level 2)	(Level 3)	
Recurring Fair Value Measurement Assets:					
Investment in TA ⁽¹⁾	\$ 6,686	\$ 6,686	\$ —	\$ —	
Non-recurring Fair Value Measurement Assets:					
Assets of properties held for sale ⁽²⁾	\$ 56,688	\$ —	\$ 56,688	\$ —	
Assets of properties held and used ⁽³⁾	\$ 368	\$ —	\$ —	\$ 368	

(1) Our 684,000 common shares of TA, which are included in other assets in our condensed consolidated balance sheets, are reported at fair value which is based on quoted market prices (Level 1 inputs). Our historical cost basis for these shares is \$17,407 as of March 31, 2020. During the three months ended March 31, 2020 we recorded unrealized losses of \$5,045 and during the three months ended March 31, 2019, we recorded unrealized gains of \$1,197 to adjust the carrying value of our investment in TA shares to its fair value.

(2) As of March 31, 2020, we owned six net lease properties located in five states classified as held for sale with an aggregate net carrying value of \$56,688. These

properties are recorded at their estimated fair value less costs to sell based on purchase agreements with third-parties (Level 2 inputs as defined in the fair value hierarchy under GAAP). We recorded a \$13,230 loss on asset impairment during the three months ended March 31, 2020 to reduce the carrying value of one of these properties to its estimated fair value less costs to sell.

SERVICE PROPERTIES TRUST
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except share data)
(Unaudited)

- (3) We recorded a \$3,510 loss on asset impairment in the three months ended March 31, 2020 to reduce the carrying value of one net lease property to its estimated fair value of \$368 based on discounted cash flow analyses (Level 3 inputs).

In addition to the investment securities included in the table above, our financial instruments include our cash and cash equivalents, restricted cash, rents receivable, revolving credit facility, term loan, senior notes and security deposits. At March 31, 2020 and December 31, 2019, the fair values of these additional financial instruments approximated their carrying values in our condensed consolidated balance sheets due to their short-term nature or floating interest rates, except as follows:

	March 31, 2020		December 31, 2019	
	Carrying Value ⁽¹⁾	Fair Value	Carrying Value ⁽¹⁾	Fair Value
Senior Unsecured Notes, due 2021 at 4.25%	\$ 398,739	\$ 389,728	\$ 398,379	\$ 406,838
Senior Unsecured Notes, due 2022 at 5.00%	497,124	369,308	496,821	526,500
Senior Unsecured Notes, due 2023 at 4.50%	499,473	356,455	499,432	520,478
Senior Unsecured Notes, due 2024 at 4.65%	348,396	255,073	348,295	364,277
Senior Unsecured Notes, due 2024 at 4.35%	818,443	619,191	818,075	848,847
Senior Unsecured Notes, due 2025 at 4.50%	346,602	232,694	346,431	361,783
Senior Unsecured Notes, due 2026 at 5.25%	343,366	257,297	343,083	369,185
Senior Unsecured Notes, due 2026 at 4.75%	446,058	314,674	445,905	464,315
Senior Unsecured Notes, due 2027 at 4.95%	394,838	357,354	394,649	414,012
Senior Unsecured Notes, due 2028 at 3.95%	391,046	293,268	390,759	393,940
Senior Unsecured Notes, due 2029 at 4.95%	417,505	331,351	417,307	434,248
Senior Unsecured Notes, due 2030 at 4.375%	388,806	304,156	388,522	394,788
Total financial liabilities	<u>\$ 5,290,396</u>	<u>\$ 4,080,549</u>	<u>\$ 5,287,658</u>	<u>\$ 5,499,211</u>

(1) Carrying value includes unamortized discounts and premiums and issuance costs.

At March 31, 2020 and December 31, 2019, we estimated the fair values of our senior notes using an average of the bid and ask price of our then outstanding issuances of senior notes (Level 2 inputs).

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our condensed consolidated financial statements and notes thereto included in Part I, Item 1 of this Quarterly Report on Form 10-Q and with our 2019 Annual Report.

Overview (dollar amounts in thousands, except share amounts and per-room hotel data)

We are a REIT organized under the laws of the State of Maryland. As of March 31, 2020, we owned 1,142 properties in 47 states, the District of Columbia, Canada and Puerto Rico.

Impact of COVID-19

In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic, and the United States declared a national emergency, and several states and municipalities declared public health emergencies due to this pandemic. The COVID-19 virus has continued to spread throughout the United States and the world. The COVID-19 pandemic and various governmental and market responses in an attempt to contain and mitigate the spread of the virus and its detrimental public health impact, have impacted and continue to severely and negatively impact the global economy, including the U.S. economy. Our business is focused on lodging and service retail properties, which have been some of the industries most severely and negatively impacted by the effects of the pandemic. These conditions have materially and adversely impacted our business, operations, financial results and liquidity. In particular, a variety of factors related to the COVID-19 pandemic have caused, and are expected to continue to cause, a decline in the lodging industry, including, but not limited to, (i) restrictions on travel and public gatherings imposed by governmental entities and employers, (ii) the closure of hotels, restaurants and other venues, and (iii) the postponement or cancellation of industry conventions and conferences, and other demand drivers of our hotels. The reduced economic activity resulting from these factors has severely and negatively impacted our operations. Our hotels have experienced a significant decline in occupancy and revenues.

During March 2020, we suspended operations at one extended stay hotel as a result of the COVID-19 pandemic. During April 2020, we suspended operations at 18 additional hotels (17 full-service hotels and one extended stay hotel) as a result of business volume declines. We continue to work with our operators to mitigate the impact on our hotel operations as a result of general economic and industry conditions relating to the COVID-19 pandemic including efforts to reduce operating expenses such as, but not limited to, staffing reductions and furloughs, utility consumption reductions, purchasing reductions and eliminations, service contract reductions and eliminations, food service and exercise facilities closures, and reduction and elimination of certain marketing expenditures. We have also agreed to suspend contributions to our FF&E reserves under certain of our agreements.

As a result of the depressed activity at our hotels and near term expected losses, several of our operators have requested working capital advances from us to pay operating expenses for our hotels. During April 2020, we advanced an aggregate of \$70,723 of working capital to certain of our hotel operators to cover projected operating losses. We advanced \$37,000 to IHG, \$30,000 to Marriott, \$2,423 to Wyndham and \$1,300 to Hyatt. In addition, in May 2020, Sonesta requested \$7,408 and Hyatt requested an additional \$1,300 of working capital advances. We expect to fund these advances in May 2020. Under certain of our hotel agreements, working capital advances are reimbursable to us from a share of future cash flows from the applicable hotel operations in excess of the minimum returns due to us and certain management fees pursuant to the terms of the respective agreements. We may receive additional requests for working capital advances if lodging activity remains depressed for an extended period.

Our largest tenant, TA, is current on its rent obligations to us as of May 7, 2020. The travel centers operated by TA primarily provide goods and services to the trucking industry, and demand for trucking services in the United States generally reflects the amount of commercial activity in the U.S. economy. When the U.S. economy declines, demand for goods moved by trucks declines, and in turn demand for the products and services provided at our travel centers typically declines. Although TA's services have been designated "essential services" by many public authorities, and as a result, all of our travel centers operated by TA are open and operating, although TA has also experienced negative impacts from the pandemic, including closing most of its full service restaurants, and implementing social distancing and other measures at its travel center stores.

In addition, some of our other net lease retail tenants have experienced closures and substantial declines in their businesses as a result of the COVID-19 pandemic. Some of these tenants have sought rent relief from us and we expect these closures, declines and requests to continue or increase in the future. During April 2020, we collected 45% of the rents due to us for the month from our other net lease tenants. We have entered into rent deferral agreements with 84 net lease retail tenants with leases requiring an aggregate of \$61,963 of annual minimum rents. Generally these rent deferrals are for one to three months of rent and will be payable by the tenants over a 12 month period beginning in September 2020. As of May 7, 2020, we have deferred an aggregate of \$8,584 of rent. If the economic downturn continues for a prolonged period, our operators and tenants and their businesses may become increasingly negatively impacted, which may result in our operators and tenants seeking assistance from us regarding their obligations owed to us, their being unable or unwilling to pay us returns or rents, their ceasing to pay us returns or rents and their ceasing to continue as going concerns.

We are closely monitoring the impact of the COVID-19 pandemic on all aspects of our business, including:

- our operators and tenants and their ability to withstand the current economic conditions and continue to pay us returns and rents,
- our operations, liquidity and capital needs and resources,
- conducting financial modeling and sensitivity analyses,
- actively communicating with our operators and tenants and other key constituents and stakeholders in order to help assess market conditions, opportunities, best practices and mitigate risks and potential adverse impacts, and
- monitoring, with the assistance of counsel and other specialists, possible government relief funding sources and other programs that may be available to us or our operators and tenants to enable us and them to operate through the current economic conditions and enhance our tenants' ability to pay us returns and rents.

Despite the circumstances outlined above, we believe that our current financial resources and our expectations as to the future performance of the lodging industry and the industries in which our net lease retail tenants operate will enable us to withstand the COVID-19 pandemic and its aftermath. As of May 7, 2020, we have:

- \$500,000 of availability under our revolving credit facility and we have received a limited waiver of compliance with certain financial covenants under our credit agreement to ensure we have full access to undrawn amounts under such credit facility,
- reduced our quarterly cash distributions on our common shares to \$0.01 per share; a savings of \$87,220 per quarter compared to prior distribution levels,
- no debt maturities during the remainder of 2020 and with the next debt maturity thereafter being \$400,000 of our senior notes due in February 2021, and
- prioritized our projected capital improvement spending to projects in progress, maintenance capital and contractual obligations,

We do not have any employees and the personnel and various services we require to operate our business are provided to us by RMR LLC pursuant to our business and property management agreements with RMR LLC. RMR LLC has implemented enhanced cleaning protocols and social distancing guidelines at its corporate headquarters and its regional offices, as well as business continuity plans to ensure RMR LLC employees remain safe and able to support us and the other companies to which RMR LLC and its subsidiaries provide management services, including providing appropriate information technology such as notebook computers, smart phones, computer applications, information technology security applications and technology support.

There are extensive uncertainties surrounding the COVID-19 pandemic and its aftermath. These uncertainties include among others:

- the duration and severity of the current economic downturn;
- the strength and sustainability of any economic recovery;

- the timing and process for how the government and other market participants may oversee and conduct the return of economic activity when the COVID-19 pandemic abates, such as what continuing restrictions and protective measures may remain in place or be added and what restrictions and protective measures may be lifted or reduced in order to foster a return of increased economic activity in the United States; and
- whether, following a recommencing of more normal levels of economic activities, the United States or other countries experience “second waves” of COVID-19 infection outbreaks and, if so, the responses of governments, businesses and the general public to those events.

As a result of these uncertainties, we are unable to determine what the ultimate impact will be on our operations and our operators and other stakeholders’ businesses, operations, financial results and financial positions. For further information and risks relating to the COVID-19 pandemic and its aftermath on us and our business, see Part II, Item 1A Risk Factors, in this Quarterly Report on Form 10-Q.

Acquisitions and Dispositions

On September 20, 2019, we acquired 767 properties with 12.4 million rentable square feet for an aggregate transaction value of \$2,482,382, or the SMTA Transaction. The portfolio consisted of 767 service-oriented retail properties net leased to tenants in 23 distinct industries and 163 brands including quick service and casual dining restaurants, movie theaters, health and fitness, automotive parts and services and other service-oriented and necessity-based industries across 45 states. During the three months ended December 31, 2019, we sold 130 net lease properties that we acquired in the SMTA Transaction in 28 states with 2,773,241 square feet and annual minimum rent of \$43,180 for \$513,012.

We were previously marketing for sale 20 Wyndham branded hotels with an aggregate net carrying value of \$110,465 and 33 Marriott hotels with an aggregate net carrying value of \$221,129 and were in the process of launching a marketing effort related to our 39 Sonesta ES Suites hotels with an aggregate net carrying value of \$461,263. We currently expect any transactions related to these hotels will be delayed until later in 2020 or 2021 as a result of current market conditions and these transactions may be delayed further or may not occur.

On February 27, 2020, we entered into a transaction agreement with Sonesta pursuant to which we and Sonesta modified our existing business arrangements. Additional details regarding this transaction are set forth in Note 6 to our condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, which disclosure is incorporated herein by reference.

Management agreements and leases. At March 31, 2020, we owned 329 hotels operated under six agreements. We leased 328 of these hotels to our wholly owned TRSs that are managed by hotel operating companies, and the one remaining hotel is leased to a hotel operating company. We own 813 service-oriented properties with 187 tenants subject to “triple net” leases, where the tenants are generally responsible for the payment of operating expenses and capital expenditures. Our condensed consolidated statements of comprehensive income include hotel operating revenues and hotel operating expenses from our managed hotels and rental income and other operating expenses from our leased hotel and net lease properties.

Many of our operating agreements and net leases contain security features, such as guarantees and security deposits, which are intended to protect minimum returns and rents due to us in accordance with our agreements regardless of property performance. However, the effectiveness of various security features to provide us uninterrupted receipt of minimum returns and rents is not assured, especially if economic conditions generally decline for a prolonged period. Also, certain of the guarantees that we hold are limited in amount and duration and do not provide for payment of the entire amount of the applicable minimum returns. As of March 31, 2020, we had \$129,526 of security deposits and guarantees available to cover shortfalls in hotel cash flows available to pay the minimum returns due to us from certain hotel operators. Based on our current estimates, we project we will exhaust all of the security deposits and most of the guarantees our hotel operators have provided by as early as the second quarter of 2020.

Hotel Portfolio

Comparable hotels data. We present revenue per available room, or RevPAR, average daily rate, or ADR, and occupancy for the periods presented on a comparable basis to facilitate comparisons between periods. We generally define comparable hotels as those that were owned by us and were open and operating for the entire periods being compared. For the three months ended March 31, 2020 and 2019, we excluded eight hotels from our comparable results. Three of these hotels were not owned for the entire period, four were closed for major renovations and one suspended operations as a result of the COVID-19 pandemic during part of the periods presented. Based on our current estimates, we project that we will exhaust all of the security deposits and most of the guarantees our hotel operators have provided to us by as early as the end of the second quarter of 2020. If our hotel operators are unwilling or unable to fund our minimum returns and rents, we may have the right to terminate our operating agreements with that operator and change the operator of the hotel.

Hotel operations. During the three months ended March 31, 2020, the U.S. hotel industry generally realized decreases in ADR and RevPAR and declines in occupancy compared to the same period in 2019. During the three months ended March 31, 2020, our 321 comparable hotels that we owned continuously since January 1, 2019 produced aggregate year over year decreases in ADR, occupancy and RevPAR. We believe these results are primarily due to the market disruption resulting from the COVID-19 pandemic.

For the three months ended March 31, 2020 compared to the same period in 2019 for our 321 comparable hotels: ADR decreased 4.6% to \$121.02; occupancy decreased 10.5 percentage points to 56.9%; and RevPAR decreased 19.5% to \$68.86.

For the three months ended March 31, 2020 compared to the same period in 2019 for all our 329 hotels: ADR decreased 5.4% to \$123.06; occupancy decreased 11.3 percentage points to 56.1%; and RevPAR decreased 21.2% to 69.04.

Net Lease Portfolio. As of March 31, 2020, we owned 813 net lease service-oriented retail properties with 14.5 million square feet and annual minimum rent of \$379,503, which represented approximately 39% of our total annual minimum returns and rents. Our net lease portfolio was 98% occupied as of March 31, 2020, by 187 tenants with a weighted (by annual minimum rent) lease term of 11.1 years, operating under 128 brands in 22 distinct industries. TA is our largest tenant. As of March 31, 2020, we leased 179 travel centers to TA under five master leases that expire between 2029 and 2035 and require annual minimum rents of \$246,110 which represents 25.5% of our consolidated annual minimum rents and returns.

Additional details of our hotel operating agreements and our net lease agreements are set forth in Notes 6 and 10 to our condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q and in the table and notes thereto on pages 34 through 37 below.

Results of Operations (dollar amounts in thousands, except share amounts)

Three Months Ended March 31, 2020 Compared to the Three Months Ended March 31, 2019

	For the Three Months Ended March 31,			
	2020	2019	Increase (Decrease)	% Increase (Decrease)
Revenues:				
Hotel operating revenues	\$ 383,503	\$ 454,863	\$ (71,360)	(15.7)%
Rental income - hotels	807	5,598	(4,791)	(85.6)%
Rental income - net lease portfolio	99,265	63,075	36,190	57.4 %
Total rental income	100,072	68,673	31,399	45.7 %
FF&E reserve income	201	1,372	(1,171)	(85.3)%
Expenses:				
Hotel operating expenses	271,148	317,685	(46,537)	(14.6)%
Other operating expenses	3,759	1,440	2,319	161.0 %
Depreciation and amortization - hotels	67,669	66,583	1,086	1.6 %
Depreciation and amortization - net lease portfolio	60,257	32,782	27,475	83.8 %
Total depreciation and amortization	127,926	99,365	28,561	28.7 %
General and administrative	14,024	12,235	1,789	14.6 %
Loss on asset impairment	16,740	—	16,740	n/m
Other operating income:				
Gain (loss) on sale of real estate	(6,911)	159,535	(166,446)	(104.3)%
Dividend income	—	876	(876)	(100.0)%
Unrealized gains (losses) on equity securities, net	(5,045)	20,977	(26,022)	(124.1)%
Interest income	262	637	(375)	(58.9)%
Interest expense	(71,075)	(49,766)	(21,309)	42.8 %
Income (loss) before income taxes and equity earnings of an investee	(32,590)	226,442	(259,032)	(114.4)%
Income tax expense	(342)	(1,059)	717	(67.7)%
Equity in earnings (losses) of an investee	(718)	404	(1,122)	(277.7)%
Net income (loss)	\$ (33,650)	\$ 225,787	\$ (259,437)	(114.9)%
Weighted average shares outstanding:				
Weighted average shares outstanding (basic)	164,370	164,278	92	0.1 %
Weighted average shares outstanding (diluted)	164,370	164,322	48	n/m
Net income (loss) per common share (basic and diluted)	\$ (0.20)	\$ 1.37	\$ (1.57)	(114.6)%

References to changes in the income and expense categories below relate to the comparison of consolidated results for the three months ended March 31, 2020, compared to the three months ended March 31, 2019.

Hotel operating revenues. The decrease in hotel operating revenues is a result of decreased revenues at certain of our managed hotels primarily as a result of lower occupancies (\$95,424), partially offset by the conversion of one hotel from a leased to a managed property (\$12,787), increased revenues at certain of our managed hotels primarily as a result of higher occupancies (\$6,960) and our hotel acquisitions since January 1, 2019 (\$4,317). Additional operating statistics of our hotels are included in the table on page 36.

Rental income - hotels. The decrease in rental income – hotels is primarily the result of the conversion of one hotel from a leased to a managed property during the 2020 period (\$2,894) and amending the lease terms for 48 vacation units we leased at one hotel during 2020 (\$1,897). Rental income - hotels for the 2020 and 2019 periods includes \$1,897 and \$82, respectively, of adjustments to record rent on a straight-line basis.

Rental income - net lease portfolio. The increase in rental income - net lease portfolio is primarily a result of rents from properties we acquired pursuant to the SMTA Transaction (\$36,609). We reduced rental income by \$1,646 and \$1,214 for the 2020 and 2019 periods, respectively, to record scheduled rent changes under certain leases, the deferred rent obligations payable to us under our TA leases and the estimated future payments to us under our TA leases for the cost of removing underground storage tanks on a straight-line basis.

FF&E reserve income. FF&E reserve income represents amounts paid by certain of our hotel tenants into restricted accounts owned by us to accumulate funds for future capital expenditures. The terms of our hotel leases require these amounts to be calculated as a percentage of total sales at our hotels. We do not report the amounts, if any, which are escrowed as FF&E reserves for our managed hotels as FF&E reserve income. The decrease in FF&E reserve income is the result of decreased sales at one leased hotel and the conversion of one hotel from a leased hotel to a managed property in the 2020 period.

Hotel operating expenses. The decrease in hotel operating expenses is a result of an increase in the amount of guaranty and security deposit utilization under certain of our hotel management agreements (\$53,462) and a decrease at certain managed hotels undergoing renovations during all of part of the three months ended March 31, 2020 resulting primarily from lower occupancies (\$13,008), partially offset by the conversion of one hotel from a leased to managed property during the 2020 period (\$12,787), our hotel acquisitions since January 1, 2019 (\$4,317), an increase in wage and benefit costs, sales and marketing expenses and other operating costs at certain of our managed hotels (\$2,535) and an increase in real estate taxes at certain of our hotels (\$294). Certain guarantees and security deposits which have been applied to past payment deficits may be replenished from a share of subsequent cash flows from the applicable hotel operations pursuant to the terms of the respective operating agreements. When our guarantees and our security deposits are replenished by cash flows from hotel operations, we reflect such replenishments in our condensed consolidated statements of comprehensive income as an increase to hotel operating expenses. There were no such replenishments for either of the three months ended March 31, 2020 or 2019. When our guarantees and security deposits are utilized to cover shortfalls of hotel cash flows from the minimum payments due to us, we reflect such utilizations in our condensed consolidated statements of comprehensive income as a decrease to hotel operating expenses. Hotel operating expenses were decreased by \$75,927 and \$22,465 during the three months ended March 31, 2020 and 2019, respectively, as a result of such utilization.

Other operating expenses. The increase in other operating expenses is a result of operating expenses we pay at certain properties we acquired as part of the SMTA Transaction in September 2019.

Depreciation and amortization - hotels. The increase in depreciation and amortization - hotels is a result of the depreciation and amortization of improvements acquired with funds from our FF&E reserves or directly funded by us since January 1, 2019 (\$5,878) and our hotel acquisitions since January 1, 2019 (\$1,016), partially offset by certain of our depreciable assets becoming fully depreciated since January 1, 2019 (\$5,808).

Depreciation and amortization - net lease portfolio. The increase in depreciation and amortization - net lease portfolio is a result of the depreciation and amortization of properties we acquired as part of the SMTA Transaction (\$28,212) and the depreciation and amortization of net lease improvements we purchased since January 1, 2019 (\$3,518), partially offset by certain of our depreciable assets becoming fully depreciated since January 1, 2019 (\$4,255).

General and administrative. The increase in general and administrative costs is primarily due to increases in business management fees and professional service expenses.

Loss on asset impairment. We recorded a \$16,740 loss on asset impairment during the three months ended March 31, 2020 to reduce the carrying value of two net lease properties to their estimated fair value.

Gain (loss) on sale of real estate. We recorded a \$6,911 net loss on sale of real estate during the three months ended March 31, 2020 in connection with the sales of six net lease properties and 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.

Dividend income. Dividend income represents the dividends we received from our former investment in RMR Inc.

Unrealized gains (losses) on equity securities, net. Unrealized gains and losses on equity securities, net represents the adjustment required to adjust the carrying value of our former investment in RMR Inc., which we sold in July 2019, and our investment in TA common shares to their fair values as of March 31, 2020 and March 31, 2019.

Interest income. The decrease in interest income is due to lower average cash balances during the 2020 period.

Interest expense. The increase in interest expense is due to higher average outstanding borrowings, primarily as a result of our financing of the SMTA Transaction, partially offset by a lower weighted average interest rate in the 2020 period.

Income tax expense. We recognized lower state taxes during the 2020 period primarily due to a decrease in the amount of state sourced income subject to income taxes.

Equity in earnings (losses) of an investee. Equity in earnings (losses) of an investee represents our proportionate share of the earnings (losses) of Sonesta and AIC.

Net income (loss). Our net income (loss) and net income (loss) per common share (basic and diluted) each decreased in the 2020 period compared to the 2019 period primarily due to the revenue and expense changes discussed above.

Liquidity and Capital Resources (dollar amounts in thousands, except share amounts)

Our Managers and Tenants

As of March 31, 2020, 329 of our hotels (including one leased hotel) were included in six combination portfolio agreements ; and all 329 hotels were managed by or leased to hotel operating companies. Our 813 net lease properties were leased to 187 tenants as of March 31, 2020. The costs of operating and maintaining our properties are generally paid by the hotel operators as agents for us or by our tenants for their own account. Our hotel managers and tenant derive their funding for property operating expenses and for returns and rents due to us generally from property operating revenues and, to the extent that these parties themselves fund our minimum returns and rents, from their separate resources. Our hotel managers and tenant include Marriott, IHG, Sonesta, Wyndham, Hyatt and Radisson. TA is our largest net lease tenant. No other net lease tenant represents more than 1% of our total annualized minimum returns or rents.

We are carefully monitoring the developments of the COVID-19 pandemic and its impact on our operators and tenants and our other stakeholders. As a result of the depressed activity at our hotels and near term expected losses, several of our hotel operators have requested working capital advances from us to pay operating expenses. During April 2020, we advanced an aggregate of \$70,723 of working capital to certain of our hotel operators to cover projected operating losses. We advanced \$37,000 to IHG, \$30,000 to Marriott, \$2,423 to Wyndham and \$1,300 to Hyatt. Under certain of our hotel agreements, working capital advances are reimbursable to us from a share of future cash flows from the applicable hotel operations in excess of the minimum returns due to us and certain fees to the manager pursuant to the terms of the respective agreements. The amounts we have advanced to date may be insufficient to cover future losses and we may receive additional requests for working capital in the future.

TA, our largest tenant, is current on all its rent obligations to us as of May 7, 2020. During April 2020, we collected 45% of the rents due to us for the month from our other net lease tenants. We entered into rent deferral agreements with 84 net lease retail tenants with leases requiring an aggregate of \$61,963 of annual minimum rents. Generally these rent deferrals are for one to three months of rent and will be payable by the tenants over a 12 month period beginning in September 2020. As of May 7, 2020, we have deferred an aggregate of \$8,584 of rent. We expect to receive additional similar requests in the future, and we may determine to grant additional relief in the future, which may vary from the type of relief we have granted to date, and could include more substantial relief, if we determine it prudent or appropriate to do so. In addition, if any of our tenants are unable to continue as going concerns as a result of the current economic conditions or otherwise, we will experience a reduction in rents received and we may be unable to find suitable replacement tenants for an extended period or at all and the terms of our leases with those replacement tenants may not be as favorable to us as the terms of our agreements with our existing tenants. Further, we do not know whether any of our tenants will qualify for, and receive assistance from, the Coronavirus Aid, Relief and Economic Security Act or other government programs and, if they do, whether that assistance will be sufficient to enable them to pay rent to us. As a result of these uncertainties surrounding the COVID-19 pandemic and the duration and extent of the resulting economic downturn, we are unable to determine what the ultimate impact will be on our tenants and their ability and willingness to pay us rent. As a result of the uncertainties, we are unable to currently assess any additional impact this pandemic will have on our future cash flows.

We define coverage for each of our hotel operating agreements as total hotel property level revenues minus all hotel property level expenses and FF&E reserve escrows that are not subordinated to the hotel minimum returns or rents due to us divided by the hotel minimum returns or rents due to us. More detail regarding coverage, guarantees and other features of our hotel operating agreements is presented in the tables and related notes on pages 34 through 37. For the twelve months ended March 31, 2020, all six of our hotel operating agreements, representing 60% of our total annual minimum returns and rents, generated coverage of less than 1.0x (with a range from 0.38x to 0.92x).

We define net lease coverage as annual property level adjusted earnings before interest, taxes, depreciation, amortization and rent, or EBITDAR, divided by the annual minimum rent due to us, weighted by the minimum rent of the property to total minimum rents of the net lease portfolio. The annual property level adjusted EBITDAR is determined based on the most recent operating statements, if any, furnished by the tenant. Operating statements furnished by the tenant often are unaudited and, in certain cases, may not have been prepared in accordance with GAAP and are not independently verified by us. Properties that do not report operating information are excluded from the coverage calculations. As of March 31, 2020, our net lease properties generated coverage of 2.28x.

Certain of our management arrangements or leases are subject to full or limited guarantees or are secured by a security deposit which we control. These guarantees may provide us with continued payments if the property level cash flows fail to equal or exceed guaranteed amounts due to us. Some of our managers and tenants, or their affiliates, may also supplement cash flows from our properties in order to make payments to us and preserve their rights to continue operating our properties even if they are not required to do so by guarantees or security deposits. Guarantee payments, security deposit applications or supplemental payments to us, if any, made under any of our management agreements or leases do not subject us to repayment obligations, but, under some of our agreements, the manager or tenant may recover these guarantee or supplemental payments and the security deposits may be replenished from subsequent cash flows from our properties after our future minimum returns and rents are paid.

When cash flows from our hotels under certain of our agreements are less than the minimum returns or rents contractually due to us, we have utilized the applicable security features in our agreements to cover some of these shortfalls. However, several of the guarantees and all the security deposits we hold are for limited amounts, are for limited durations and may be exhausted or expire. Accordingly, the effectiveness of our various security features to provide uninterrupted payments to us is not assured. The COVID-19 pandemic has had a material and adverse effect on the lodging and service industries and our hotel managers' and tenant's businesses. If any of our hotel managers, tenants or guarantors default in their payment obligations to us, our cash flows will decline. Certain of our tenants' businesses have been materially and adversely impacted by the COVID-19 pandemic, which may reduce their ability to pay us rent, increase the likelihood they will default in paying us rent and likely reduce the value of those properties. Based on our current estimates, we project that we will exhaust all of the security deposits and most of the guarantees our hotel operators have provided to us by as early as the second quarter of 2020.

On February 27, 2020, we entered into a transaction agreement with Sonesta pursuant to which we and Sonesta restructured our existing business arrangements, as follows:

- We amended and restated our existing Sonesta agreement, and our existing pooling agreement with Sonesta, which combines our management agreements with Sonesta for purposes of calculating gross revenues, payment of hotel operating expenses, payment of fees and distributions and minimum returns due to us, as further described below;
- We and Sonesta agreed to sell, rebrand or repurpose our 39 extended stay hotels currently managed by Sonesta, with an aggregate carrying value of \$461,263 and which currently require aggregate minimum returns of \$48,239. As the hotels are sold, rebranded or repurposed, the management agreement for the applicable hotel(s) will terminate without our being required to pay Sonesta a termination fee and the annual minimum returns due to us under our Sonesta agreement will decrease by the amount allocated to the applicable hotel(s);
- Sonesta will continue to manage 14 of our full-service hotels and the aggregate annual minimum returns due for these hotels was reduced from \$99,013 to \$69,013;
- Sonesta issued to us a number of its shares of common stock representing approximately (but not more than) 34% of its outstanding shares of common stock (post-issuance) and we entered into a stockholders agreement with Sonesta, Adam Portnoy and the other stockholder of Sonesta and a registration rights agreement with Sonesta;
- We modified our Sonesta agreement and pooling agreement so that up to 5% of the gross revenues of each of our 14 full-service hotels managed by Sonesta will be escrowed for future capital expenditures as "FF&E reserves," subject to available cash flow after payment of the annual minimum returns due to us and working capital advances, if any, under our Sonesta agreement;
- We modified our Sonesta agreement and pooling agreement so that (1) our termination rights under those agreements for our 14 full-service hotels managed by Sonesta are generally limited to performance and for "cause", casualty and condemnation events, (2) a portfolio wide performance test now applies for determining whether the management agreement for any of our full service hotels managed by Sonesta may be terminated for performance reasons, and (3) the provisions included in our historical pooling agreement that allowed either us or Sonesta to require the marketing for sale of non-economic hotels were removed; and

- We extended the initial expiration date of the management agreements for our full-service hotels located in Chicago, IL and Irvine, CA that are managed by Sonesta to expire in January 2037 to align with the initial expiration date for our other full-service hotels managed by Sonesta.

Except as described above, the economic terms of our amended and restated Sonesta agreement and amended and restated pooling agreement are consistent with the historical Sonesta agreement and pooling agreement. Additional details of this agreement are set forth in Note 6 to our condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, which disclosure is incorporated herein by reference.

We previously leased 48 vacation units to Wyndham Destinations, Inc. (NYSE: WYND) at our full-service hotel located in Chicago, IL, which Sonesta began managing in November 2019 and which had previously been managed by Wyndham. Effective March 1, 2020, Sonesta commenced managing those units and those units were added to our Sonesta agreement for that Chicago hotel.

Our Wyndham agreement expires on September 30, 2020 unless sooner terminated with respect to any of our Wyndham hotels that are sold or rebranded. Wyndham is required to pay us all cash flows of the hotels after payment of hotel operating costs. Wyndham is not entitled to any base management fees for the remainder of the agreement term.

Our Operating Liquidity and Capital Resources

Our principal sources of funds to meet operating and capital expenses, debt service obligations and distributions to our shareholders are minimum returns from our managed hotels, minimum rents from our leased hotel and net lease portfolio and borrowings under our revolving credit facility. We receive minimum returns and rents from our managers and tenants monthly. We may receive additional returns, percentage rents and our share of the operating profits of our managed hotels after payment of management fees and other deductions, if any, either monthly or quarterly, and these amounts are usually subject to annual reconciliations. We believe that these sources of funds will be sufficient to meet our operating and capital expenses, pay debt service obligations and make distributions to our shareholders for the next twelve months and for the foreseeable future thereafter. Due to the economic uncertainty caused by the COVID-19 pandemic, we reduced our quarterly distribution to our shareholders for the quarter ended March 31, 2020 to \$0.01 per share and we expect our quarterly distribution to continue at that rate. Further, our managers and tenants may become further or increasingly unable or unwilling to pay minimum returns and rents to us when due as a result of current economic conditions and, as a result, our cash flows and net income could decline.

Changes in our cash flows for the three months ended March 31, 2020 compared to the same period in 2019 were as follows: (1) cash flows provided by operating activities increased from \$43,865 in 2019 to \$97,016 in 2020; (2) cash flows from investing activities changed from \$102,090 of cash provided by investing activities in 2019 to \$69,614 of cash used in investing activities in 2020; and (3) cash flows used in financing activities decreased from \$123,154 in 2019 to \$8,906 in 2020.

The increase in cash flows provided by operating activities for the three months ended March 31, 2020 as compared to the prior year period is primarily due to an increase in the minimum returns and rents paid to us in the 2020 period due to our acquisitions and funding of improvements to our hotels since January 1, 2019, partially offset by higher interest payments in the 2020 period and an increase in security deposit utilization in the 2020 period. The change from cash flows provided by investing activities in the 2019 period to cash used in investing activities in the 2020 period is primarily due to the proceeds received from our sale of 20 travel centers in the 2019 period, partially offset by a decrease in real estate acquisition activity in the 2020 period. The decrease in cash used in financing activities for the three months ended March 31, 2020 as compared to the prior year period is primarily due to a higher net borrowings under our revolving credit facility compared to the 2019 period.

We maintain our qualification for taxation as a REIT under the IRC by meeting certain requirements. As a REIT, we do not expect to pay federal income taxes on the majority of our income; however, the income realized by our TRSs in excess of the rent they pay to us is subject to U.S. federal income tax at corporate income tax rates. In addition, the income we receive from our hotels in Canada and Puerto Rico is subject to taxes in those jurisdictions and we are subject to taxes in certain states where we have properties despite our qualification for taxation as a REIT.

Our Investment and Financing Liquidity and Capital Resources

Various percentages of total sales at some of our hotels are escrowed as FF&E reserves to fund future capital improvements. During the three months ended March 31, 2020, our hotel managers and tenants deposited \$33,806 to these accounts and spent \$48,695 from the FF&E reserve escrow accounts to renovate and refurbish our hotels. As of March 31, 2020, there was \$44,537 on deposit in these escrow accounts, which was held directly by us and is reflected in our condensed consolidated balance sheets as restricted cash. As a result of the COVID-19 pandemic and the adverse impact on the lodging industry and our properties, we and certain of our hotel operators have agreed to temporarily suspend the required contribution to our FF&E reserves under certain of our agreements through up to December 31, 2020, or earlier, depending on the agreement as further defined below. For more information, see Note 6 to our condensed consolidated financial statements in Part 1, Item 1 of this Quarterly Report on Form 10-Q. As a result, less cash will be available to us to fund future capital improvements and we may be required to provide additional fundings in excess of amounts that otherwise would have been available in escrowed FF&E reserves.

Our hotel operating agreements generally provide that, if necessary, we may provide our managers and tenants with funding for capital improvements to our hotels in excess of amounts otherwise available in escrowed FF&E reserves or when no FF&E reserves are available. To the extent we make such additional fundings, our annual minimum returns or rents generally increase by a percentage of the amount we fund. During the three months ended March 31, 2020, we funded \$34,448 for capital improvements in excess of FF&E reserve fundings available from hotel operations to our hotels as follows:

- During the three months ended March 31, 2020, we funded \$300 for capital improvements to certain hotels under our Marriott agreement using cash on hand and borrowings under our revolving credit facility. Under the Marriott agreement, we have previously agreed to fund capital improvements of approximately \$400,000 at certain hotels over a four-year period. We and Marriott have agreed to defer certain capital improvement projects previously scheduled for 2020 based on current market conditions. Also, we and Marriott agreed to suspend contributions to the FF&E reserve under our Marriott agreement for six months effective March 1, 2020 as a result of current market conditions. We currently expect to fund \$48,000 for capital improvements under this agreement during the last nine months of 2020 using cash on hand or borrowings under our revolving credit facility. As we fund these improvements, the contractual minimum returns payable to us increase.
- We funded \$3,900 for capital improvements to hotels under our IHG agreement during the three months ended March 31, 2020. We currently do not expect to fund any capital improvements during the last nine months of 2020. Effective March 1, 2020, we and IHG agreed to suspend contributions to the FF&E reserve under our IHG agreement for the remainder of 2020 as a result of current market conditions.
- Under our Sonesta agreement, FF&E deposits are required only if there are excess cash flows after our payment of minimum returns and reimbursement of owner or manager advances, if any. During the three months ended March 31, 2020, we funded \$29,036 for capital improvements to certain hotels included in our Sonesta agreement using cash on hand and borrowings under our revolving credit facility. We currently expect to fund \$22,000 of capital improvements during the remainder of 2020 under this agreement using cash on hand or borrowings under our revolving credit facility. As we fund these improvements, the contractual minimum returns payable to us increase.
- We did not fund any capital improvements under our Hyatt agreement during the three months ended March 31, 2020. We currently do not expect to fund any capital improvements under this agreement during the last nine months of 2020. Also, effective March 1, 2020, we and Hyatt agreed to suspend contributions to the FF&E reserve under our Hyatt agreement for the remainder of 2020 as a result of current market conditions.
- We did not fund any capital improvements under our Radisson agreement during the three months ended March 31, 2020. We currently do not expect to fund any capital improvements under this agreement during the last nine months of 2020. Also, effective April 1, 2020, we and Radisson agreed to suspend contributions to the FF&E reserve under our Radisson agreement through the remainder of 2020 as a result of market conditions.
- No FF&E escrow deposits are required under our Wyndham agreement. We are required to reimburse Wyndham for capital improvements to hotels in our Wyndham agreement. During the three months ended March 31, 2020, we reimbursed \$1,212 of capital improvements to certain hotels included in our Wyndham agreement using cash on hand. We currently expect to fund \$1,200 capital improvements under this agreement for the remainder of 2020 using cash on hand and borrowings under our revolving credit facility.

Our net lease portfolio leases do not require FF&E escrow deposits. However, tenants under these leases are required to maintain the leased properties, including structural and non-structural components. Tenants under certain of our net lease portfolio leases, including TA, may request that we purchase qualifying capital improvements to the leased facilities in return for minimum rent increases or we may agree to provide allowances for tenant improvements upon execution of new leases or when renewing our existing leases. We funded \$4,179 of capital improvements to properties under these lease provisions during the three months ended March 31, 2020. Tenants are not obligated to request and we are not obligated to purchase any such improvements.

As of March 31, 2020, we had \$1,270 of unspent leasing-related obligations assumed as a part of the SMTA Transaction.

During the three months ended March 31, 2020, we acquired three net lease properties with approximately 6,696 square feet in two states for an aggregate purchase price of \$7,071 including acquisition related costs of \$71 using cash on hand.

During the three months ended March 31, 2020, we sold six net lease properties with approximately 292,276 square feet in five states for an aggregate sales price of \$8,010 excluding closing costs.

We entered into agreements to sell seven net lease properties with approximately 821,068 square feet in six states with leases requiring an aggregate of \$5,433 annual minimum rents as of March 31, 2020 for an aggregate sales price of \$59,500, excluding closing costs. We expect these sales to be completed by the third quarter of 2020.

On February 20, 2020, we paid a regular quarterly distribution to our common shareholders of record on January 27, 2020 of \$0.54 per share, or \$88,863. On March 30, 2020, we declared our regular quarterly distribution of \$0.01 per share, or approximately \$1,646, to shareholders of record on April 21, 2020. We expect to pay this amount on May 21, 2020 using cash on hand.

We had previously begun marketing for sale 20 Wyndham branded hotels with an aggregate net carrying value of \$110,465 and 33 Marriott hotels with an aggregate net carrying value of \$221,129 and were in the process of launching a marketing effort related to our 39 Sonesta ES Suites hotels with an aggregate net carrying value of \$461,263. We currently expect any transactions related to these hotels will be delayed until later in 2020, or until 2021 as a result of current market conditions and these transactions may be delayed beyond those dates and they may not occur.

In order to meet cash needs that may result from our desire or need to make distributions or pay operating or capital expenses, we maintain a \$1,000,000 revolving credit facility and \$400,000 term loan which are governed by a credit agreement with a syndicate of institutional lenders. The maturity date of our revolving credit facility is July 15, 2022, and, subject to the payment of an extension fee and meeting certain other conditions, we have an option to extend the maturity date of this facility for two additional six-month periods. We are required to pay interest at the rate of LIBOR plus a premium, which was 135 basis points per annum at March 31, 2020, on the amount outstanding under our revolving credit facility. We also pay a facility fee on the total amount of lending commitments under our revolving credit facility, which was 25 basis points per annum at March 31, 2020. Both the interest rate premium and the facility fee are subject to adjustment based upon changes to our credit ratings. As of March 31, 2020, the annual interest rate payable on borrowings under our revolving credit facility was 1.85%. As of March 31, 2020, we had \$457,000 outstanding and \$543,000 available to borrow under our revolving credit facility. As of May 7, 2020, we had \$500,000 amounts outstanding and \$500,000 available to borrow under our revolving credit facility.

Our term loan, which matures on July 15, 2023, is prepayable without penalty at any time. We are required to pay interest on the amount outstanding under our term loan at the rate of LIBOR plus a premium, which was 135 basis points per annum at March 31, 2020. The interest rate premium is subject to adjustment based upon changes to our credit ratings. As of March 31, 2020, the annual interest rate for the amount outstanding under our term loan was 2.93%.

Our credit agreement also includes a feature under which the maximum borrowing availability may be increased to up to \$2,300,000 on a combined basis in certain circumstances.

On May 8, 2020, we amended the credit agreement governing our \$1,000,000 unsecured revolving credit facility and \$400,000 unsecured term loan. The amendment provides for a waiver of certain of the financial covenants under our credit agreement through the Waiver Period during which, subject to certain conditions, we will continue to have access to undrawn amounts under the credit facility.

During the Waiver Period, and continuing thereafter until such time as we have demonstrated compliance with certain of our financial covenants as of June 30, 2021:

- we will be required to maintain unrestricted liquidity (unrestricted cash or undrawn availability under our \$1,000,000 revolving credit facility) of not less than \$125,000;
- our interest premium over LIBOR under our revolving credit facility and term loan will be increased by 50 basis points;
- our ability to pay distributions on our common shares will be limited to amounts required to maintain our qualification for taxation as a REIT and to avoid the payment of certain income and excise taxes, and to pay a cash dividend of \$.01 per common share per quarter;
- we will be subject to certain additional covenants, including additional restrictions on our ability to incur indebtedness (with exceptions for borrowings under our revolving credit facility and certain other categories of secured and unsecured indebtedness), and to acquire real property or make other investments (with exceptions for, among other things, certain categories of capital expenditures and costs, and certain share purchases); and
- we will generally be required to apply the net cash proceeds from the disposition of assets, capital markets transactions, debt refinancings or COVID-19 government stimulus programs to the repayment of outstanding loans under the credit agreement.

We have provided equity pledges of certain of our property owning subsidiaries to secure our obligations under the credit agreement. We will be required to pledge the equity of additional property owning subsidiaries in the event that the Collateral Value Percentage, exceeds 50%. These pledges are subject to release in full, (i) subject to the satisfaction of certain conditions, including, among other things, our having complied with the financial covenants under the credit agreement for two fiscal quarters following the end of the Waiver Period or (ii) in connection with Qualified Note Issuance, provided that, among other conditions, the outstanding amount of the revolving facility does not exceed \$750,000 and the term loan has been paid in full. If, following a release of pledges in connection with Qualified Note Issuance, a request for a borrowing under the revolving facility would result in more than \$750,000 outstanding under the revolving facility, we are required to deliver new equity pledges such that the Collateral Value Percentage is no more than 50%. We have the right to substitute collateral and otherwise obtain the release of pledged subsidiaries in certain circumstances. While the equity pledges remain in effect, we will remain subject to the restrictions our ability to pay distributions on our common shares that are described above.

Our term debt maturities (other than our revolving credit facility and term loan) as of March 31, 2020 were as follows:

Year	Maturity
2020	\$ —
2021	400,000
2022	500,000
2023	500,000
2024	1,175,000
2025	350,000
2026	800,000
2027	400,000
2028	400,000
2029	425,000
2030	400,000
	<u>\$ 5,350,000</u>

None of our unsecured debt obligations require principal or sinking fund payments prior to their maturity dates.

We currently expect to use cash on hand, the cash flows from our operations, borrowings under our revolving credit facility, net proceeds from any asset sales and net proceeds of offerings of equity or debt securities to fund our future debt maturities, operations, capital expenditures, distributions to our shareholders and other general business purposes.

When significant amounts are outstanding for an extended period of time under our revolving credit facility, or the maturities of our indebtedness approach, we currently expect to explore refinancing alternatives. Such alternatives may include incurring additional debt, issuing new equity securities and the sale of properties. We have an effective shelf registration statement that allows us to issue public securities on an expedited basis, but it does not assure that there will be buyers for such securities. We may also seek to participate in joint ventures or other arrangements that may provide us additional sources of financing. Although we have not historically done so, we may also assume mortgage debt on properties we may acquire or obtain mortgage financing on our existing properties.

While we believe we will have access to various types of financings, including debt or equity, to fund our future acquisitions and to pay our debts and other obligations, we cannot be sure that we will be able to complete any debt or equity offerings or other types of financings or that our cost of any future public or private financings will not increase.

Our ability to complete, and the costs associated with, future debt transactions depends primarily upon credit market conditions and our then creditworthiness. We have no control over market conditions. Our credit ratings depend upon evaluations by credit rating agencies of our business practices and plans, including our ability to maintain our earnings, to stagger our debt maturities and to balance our use of debt and equity capital so that our financial performance and leverage ratios afford us flexibility to withstand any reasonably anticipated adverse changes. Similarly, our ability to raise equity capital in the future will depend primarily upon equity capital market conditions and our ability to conduct our business to maintain and grow our operating cash flows. We intend to conduct our business activities in a manner which will afford us reasonable access to capital for investment and financing activities. However, as discussed elsewhere in this Quarterly Report on Form 10-Q, the duration and severity of the current economic downturn resulting from the COVID-19 pandemic are uncertain and may have various negative consequences on us and our operations including a decline in financing availability and increased costs for financing. Further, such conditions could also disrupt the capital markets generally and limit our access to financing from public sources or on favorable terms, particularly if the global financial markets experience significant disruptions.

Off Balance Sheet Arrangements

As of March 31, 2020, we had no off balance sheet arrangements that have had or that we expect would be reasonably likely to have a material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Debt Covenants

Our debt obligations at March 31, 2020 consisted of outstanding borrowings under our \$1,000,000 revolving credit facility, our \$400,000 term loan and \$5,350,000 of publicly issued term debt. Our publicly issued term debt is governed by our indentures and related supplements. These indentures and related supplements and our credit agreement contain covenants that generally restrict our ability to incur debts, including debts secured by mortgages on our properties, in excess of calculated amounts, and require us to maintain various financial ratios and our credit agreement restricts our ability to make distributions under certain circumstances. Our credit agreement and our unsecured senior notes indentures and their supplements provide for acceleration of payment of all amounts outstanding upon the occurrence and continuation of certain events of default, such as, in the case of our credit agreement, a change of control of us, which includes RMR LLC ceasing to act as our business manager. As of March 31, 2020, we believe we were in compliance with all of the covenants under our indentures and their supplements and our credit agreement. As noted previously, in response to current market conditions we and our lenders amended our credit agreement to provide limited waivers of certain covenants.

Neither our indentures and their supplements nor our credit agreement contain provisions for acceleration which could be triggered by a change in our debt ratings. However, under our credit agreement, our highest senior debt rating is used to determine the fees and interest rates we pay. Accordingly, if that debt rating is downgraded, our interest expense and related costs under our revolving credit facility and term loan would increase.

Our public debt indentures and their supplements contain cross default provisions to any other debt of \$20,000 or more (\$50,000 or more in the case of our indenture entered into in February 2016 and its supplements). Similarly, our credit agreement has cross default provisions to other indebtedness that is recourse of \$25,000 or more and indebtedness that is non-recourse of \$75,000 or more.

Management Agreements, Leases and Operating Statistics (dollar amounts in thousands)

As of March 31, 2020, we owned and managed a diverse portfolio of hotels and net lease properties across the United States and in Puerto Rico and Canada with 148 brands across 23 industries.

Hotel Portfolio

As of March 31, 2020, 329 of our hotels (including one leased hotel) were included in six portfolio agreements. As of March 31, 2020, our hotels were managed by or leased to separate affiliates of IHG, Marriott, Sonesta, Hyatt, Radisson and Wyndham under six agreements.

The tables and related notes below through page 36 summarize significant terms of our hotel lease and management agreements as of March 31, 2020. These tables also include statistics reported to us or derived from information reported to us by our hotel managers and tenant. These statistics include coverage of our minimum returns or minimum rents and occupancy, ADR and RevPAR for our hotel properties. We consider these statistics and the management agreement or lease security features also presented in the tables and related notes on the following pages to be important measures of our managers' and tenant's success in operating our hotel properties and their ability to continue to pay us. However, this third party reported information is not a direct measure of our financial performance and we have not independently verified the operating data.

Operating Agreement Reference Name	Number of Properties	Number of Rooms or Suites (Hotels)	Investment ⁽¹⁾	Annual Minimum Return/Rent ⁽²⁾	Rent / Return Coverage ⁽³⁾			
					Three Months Ended		Twelve Months Ended	
					March 31,		March 31,	
					2020	2019	2020	2019
IHG ⁽⁴⁾	103	17,154	2,381,721	216,551	0.34x	0.76x	0.80x	1.02x
Marriott ⁽⁵⁾	122	17,086	1,860,135	190,603	0.39x	0.91x	0.92x	1.12x
Sonesta ⁽⁶⁾	53	9,541	1,993,718	118,941	(0.22x)	0.39x	0.38x	0.65x
Hyatt ⁽⁷⁾	22	2,724	301,942	22,037	0.38x	0.92x	0.76x	1.00x
Radisson ⁽⁸⁾	9	1,939	289,139	20,442	0.11x	0.45x	0.84x	0.97x
Wyndham ⁽⁹⁾	20	2,914	218,361	18,914	(0.25x)	0.23x	0.38x	0.51x
Total / Average Hotels	329	51,358	7,045,016	587,488	0.20x	0.70x	0.73x	0.95x

- (1) Represents the historical cost of our hotel 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 which do not result in increases in hotel minimum returns or rents.
- (2) Each of our hotel management agreements or leases provides for payment to us of an annual minimum return or rent, respectively. Certain of these minimum payment amounts are secured by full or limited guarantees or security deposits as more fully described below. 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 necessary to record rent on a straight-line basis.
- (3) We define hotel coverage as combined total hotel property level revenues minus all hotel property level expenses and FF&E reserve escrows that are not subordinated to hotel minimum returns or rents due to us (which data is provided to us by our hotel managers or tenant), divided by the hotel minimum returns or rents due to us. Coverage amounts for our IHG agreement include data for periods prior to our ownership of certain hotel properties. Coverage amounts for our Sonesta agreement include data for two hotels prior to when they were managed by Sonesta.
- (4) We lease 102 IHG branded hotels (20 Staybridge Suites®, 61 Candlewood Suites®, two InterContinental®, 11 Crowne Plaza®, three Holiday Inn® and five Kimpton® Hotels & Restaurants) in 30 states in the U.S., the District of Columbia and Ontario, Canada to one of our wholly owned TRSs. These 102 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 above 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 March 31, 2020, we held a security deposit of \$42,063 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, working capital advances 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 payment of our minimum return, working capital advances, payment of certain management fees and replenishment and expansion of the security deposit, if any. 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.

Our IHG agreement requires 5% of gross revenues from hotel operations be placed in escrow for hotel maintenance and periodic renovations, or an FF&E reserve. As a result of current market conditions, effective March 1, 2020, we and IHG have agreed to suspend contributions to the FF&E reserve under our IHG agreement for the remainder of 2020.
- (5) We lease our 122 Marriott branded hotels (two full-service Marriott®, 35 Residence Inn by Marriott®, 71 Courtyard by Marriott®, 12 TownePlace Suites by Marriott® and two SpringHill Suites by Marriott® hotels) in 30 states to certain of our TRSs. The hotels under the Marriott agreement are managed by subsidiaries of Marriott and require aggregate annual minimum returns of \$190,603. The Marriott agreement is scheduled to expire in 2035 and Marriott has two renewal options for 10 years each for all, but not less than all, of the hotels.

As of March 31, 2020, we held a security deposit of \$4,790 under this agreement to cover payment shortfalls of our minimum return. This security deposit, if utilized, may be replenished and increased up to \$64,700 from a share of the hotels' available cash flows in excess of our minimum return, certain management fees and working capital advances. Marriott has also provided us with a \$30,000 limited guaranty to cover payment shortfalls up to 85% of our minimum return after the available security deposit balance has been depleted. This limited guaranty expires in 2026.

In addition to our minimum return, this agreement provides for payment to us of 60% 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, working capital advances and replenishment of the security deposit. This additional return amount is not guaranteed or secured by the security deposit.

Our Marriott agreement requires 5.5% to 6.5% of gross revenues from hotel operations be placed in an FF&E reserve. As a result of current market conditions, we and Marriott have agreed to suspend contributions to the FF&E reserve under our Marriott agreement for six months effective March 1, 2020.

- (6) We lease our 53 Sonesta branded hotels (seven Royal Sonesta® Hotels, seven 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 these 53 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, including certain management fees to Sonesta, our minimum return, working capital advances and any required FF&E reserves.

- (7) 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, 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 March 31, 2020, the available Hyatt guaranty was \$16,026. 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 and our working capital advances.

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, our working capital advances and reimbursement to Hyatt of working capital and guaranty advances, if any. This additional return is not guaranteed.

Our Hyatt agreement requires 5% of gross revenues from hotel operations be placed in an FF&E reserve. As a result of current market conditions, effective March 1, 2020, we and Hyatt have agreed to suspend contributions to the FF&E reserve under our Hyatt agreement for the remainder of 2020.

- (8) 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 \$47,523 under this agreement to cover payment shortfalls of our minimum return. As of March 31, 2020, the available Radisson guaranty was \$36,647. 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 and our working capital advances.

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, our working capital advances and reimbursement to Radisson of working capital and guaranty advances, if any. This additional return is not guaranteed.

Our Radisson agreement requires 5% of gross revenues from hotel operations be placed in an FF&E reserve. As a result of current market conditions, effective April 1, 2020, we and Radisson have agreed to suspend contributions to the FF&E reserve under our Radisson agreement for the remainder of 2020.

- (9) We lease our 20 Wyndham branded hotels (four Wyndham Hotels and Resorts® and 16 Hawthorn Suites® hotels) in 13 states to one of our TRSs. The hotels are managed by a subsidiary of Wyndham under a combination management agreement which expires in September 2020. We have no guarantee or security deposit from Wyndham. Payment by Wyndham is limited to the available cash flows after payment of operating expenses. Wyndham is not entitled to any base management fees for the remainder of the agreement.

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The following tables summarize the operating statistics, including ADR, occupancy and RevPAR reported to us by our hotel managers or tenant by management agreement or lease for the periods indicated. All operating data presented are based upon the operating results provided by our hotel managers and tenant for the indicated periods. We have not independently verified our managers' or tenant's operating data.

	No. of	No. of Rooms /	Three Months Ended March 31,		
	Hotels	Suites	2020	2019	Change
ADR					
IHG ⁽¹⁾	103	17,154	\$ 114.07	\$ 122.70	(7.0%)
Marriott	122	17,086	138.02	140.21	(1.6%)
Sonesta ⁽¹⁾⁽²⁾	53	9,541	134.47	145.97	(7.9%)
Hyatt	22	2,724	106.95	112.98	(5.3%)
Radisson ⁽¹⁾	9	1,939	125.48	129.66	(3.2%)
Wyndham	20	2,914	77.19	82.70	(6.7%)
All Hotels Total / Average	329	51,358	\$ 123.06	\$ 130.04	(5.4%)
OCCUPANCY					
IHG ⁽¹⁾	103	17,154	62.5%	72.3%	) (9.8pts
Marriott	122	17,086	52.9%	65.4%	) (12.5pts
Sonesta ⁽¹⁾⁽²⁾	53	9,541	50.8%	63.0%	) (12.2pts
Hyatt	22	2,724	59.5%	74.5%	) (15.0pts
Radisson ⁽¹⁾	9	1,939	53.2%	63.3%	) (10.1pts
Wyndham	20	2,914	52.8%	60.4%	) (7.6pts
All Hotels Total / Average	329	51,358	56.1%	67.4%	) (11.3pts
RevPAR					
IHG ⁽¹⁾	103	17,154	\$ 71.29	\$ 88.71	(19.6%)
Marriott	122	17,086	73.01	91.70	(20.4%)
Sonesta ⁽¹⁾⁽²⁾	53	9,541	68.31	91.96	(25.7%)
Hyatt	22	2,724	63.64	84.17	(24.4%)
Radisson ⁽¹⁾	9	1,939	66.76	82.07	(18.7%)
Wyndham	20	2,914	40.76	49.95	(18.4%)
All Hotels Total / Average	329	51,358	\$ 69.04	\$ 87.65	(21.2%)

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

(2) Operating data includes data for two hotels for periods prior to when these were managed by Sonesta.

Net Lease Portfolio

As of March 31, 2020, our 813 net lease properties located in 44 states were leased to 187 tenants. These tenants operate in 22 distinct industries including travel centers, casual dining and quick service restaurants, movie theaters, health and fitness, automobile service and others. TA is our largest tenant and leases 179 travel centers under five master lease agreements that expire between 2029 and 2035 and require annual minimum rents of \$246,110, which represents approximately 25.5% of our total minimum returns and rent as of March 31, 2020.

As of March 31, 2020, our net lease properties were 98% occupied and we had 17 properties available for lease. During 2020 we entered into lease renewals for 59,694 rentable square feet at weighted (by rentable square feet) average rents that were 14.8% below prior rents for the same space. The weighted (by rentable square feet) average lease term for these leases was 5.1 years. There were no leasing concessions or capital commitments for these leases.

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As of March 31, 2020, our net lease tenants operated across more than 128 brands. The following table identifies the top ten brands.

Brand	No. of Buildings	Investment ^{(1) (2) (3)}	Percent of Total Investment	Annualized Minimum Rent ⁽²⁾ ⁽³⁾	Percent of Total Annualized Minimum Rent ^{(2) (3)}	Coverage ⁽⁴⁾
1. TravelCenters of America	134	\$ 2,281,589	43.4%	\$ 168,011	44.3%	1.98x
2. Petro Stopping Centers	45	1,021,226	19.4%	78,099	20.6%	1.61x
3. AMC Theatres	13	121,701	2.3%	10,475	2.8%	1.33x
4. The Great Escape	14	98,242	1.9%	7,140	1.9%	4.13x
5. Life Time Fitness	3	92,617	1.8%	5,246	1.4%	3.56x
6. Casual Male	1	56,744	1.1%	5,221	1.4%	1.22x
7. Buehler's Fresh Foods	5	76,536	1.5%	5,143	1.4%	2.09x
8. Heartland Dental	59	61,120	1.2%	4,427	1.2%	3.67x
9. Pizza Hut	62	61,434	1.2%	4,237	1.1%	1.36x
10. Regal Cinemas	6	44,476	0.8%	3,658	1.0%	1.84x
11. Other ⁽⁵⁾	471	1,337,464	25.4%	87,846	22.9%	3.4x
Total	813	\$ 5,253,149	100.0%	\$ 379,503	100.0%	2.28x

(1) Represents historical cost of our properties plus capital improvements funded by us less impairment write-downs, if any.

(2) Each of our leases provides for payment to us of minimum rent. Certain of these minimum payment amounts are secured by full or limited guarantees. Annualized minimum rent amounts represent cash rent amounts due to us and exclude adjustments, if any, to record scheduled rent changes under certain of our leases, the deferred rent obligations payable to us under our leases with TA, and the estimated future payments to us under our TA leases for the cost of removing underground storage tanks at our travel centers on a straight-line basis, or any reimbursement of expenses paid by us.

(3) As of March 31, 2020, we have six net lease properties with a carrying value of \$56,688 and annual minimum rent of \$5,433 classified as held for sale.

(4) See page 28 for our definition of coverage. Coverage amounts include data for certain properties for periods prior to when we assumed ownership of them.

(5) Other includes 118 distinct brands with an average investment of \$11,334 and average annual minimum rent of \$744.

As of March 31, 2020, our top 10 net lease tenants based on annualized minimum rent are listed below.

Tenant	Brand Affiliation	No. of Buildings	Investment ^{(1) (2)}	Percent of Total Investment	Annualized Minimum Rent ⁽²⁾ ⁽³⁾	Percent of Total Annualized Minimum Rent	Coverage ⁽⁴⁾
1. TravelCenters of America	TravelCenters	179	\$ 3,302,815	62.9%	\$ 246,110	64.8%	1.87x ^{(5) (6)}
2. Universal Pool Co., Inc.	The Great Escape	14	98,242	1.9%	7,140	1.9%	4.13x
3. Healthy Way of Life II, LLC	Life Time Fitness	3	92,617	1.8%	5,246	1.4%	3.56x ⁽⁵⁾
4. Destination XL Group, Inc.	Casual Male	1	56,744	1.1%	5,221	1.4%	1.22x ⁽⁷⁾
5. Styx Acquisition, LLC	Buehler's Fresh Foods	5	76,536	1.5%	5,143	1.4%	2.09x ⁽⁵⁾
6. Professional Resource Development, Inc.	Heartland Dental	59	61,120	1.2%	4,427	1.2%	3.67x
7. Carmike Cinemas, LLC	AMC Theatres	6	44,621	0.8%	4,068	1.1%	1.72x
8. Regal Cinemas, Inc.	Regal Cinemas	6	44,476	0.8%	3,658	1.0%	1.84x
9. Eastwynn Theatres, Inc.	AMC Theatres	5	41,771	0.8%	3,541	0.9%	0.87x
10. Express Oil Change, L.L.C.	Express Oil Change	23	49,724	0.9%	3,379	0.9%	3.44x
Subtotal, top 10		301	3,868,666	73.7%	287,933	76.0%	1.88x
11. Other ⁽⁸⁾	Various	512	1,384,483	26.3%	91,570	24.0%	3.25x
Total		813	\$ 5,253,149	100.0%	\$ 379,503	100.0%	2.28x

(1) Represents historical cost of our net lease properties plus capital improvements funded by us less impairment write-downs, if any.

(2) Each of our leases provides for payment to us of minimum rent. Certain of these minimum payment amounts are secured by full or limited guarantees. Annualized minimum rent amounts represent cash rent amounts due to us and exclude adjustments, if any, to record scheduled rent changes under certain of our leases, the deferred rent obligations payable to us under our leases with TA, and the estimated future payments to us under our TA leases for the cost of removing underground storage tanks at our travel centers on a straight-line basis, or any reimbursement of expenses paid by us.

(3) As of March 31, 2020, we have six net lease properties with an aggregate carrying value of \$56,688 and annual minimum rent of \$5,433 classified as held for sale.

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- (4) See page 28 for our definition of coverage. Coverage amounts include data for certain properties for periods prior to when we assumed ownership of them.
- (5) Leases subject to full or partial corporate guarantee.
- (6) TA is our largest tenant. We lease 179 travel centers (134 under the TravelCenters of America brand and 45 under the Petro Stopping Centers brand) to a subsidiary of TA under master leases that expire in 2029, 2031, 2032, 2033 and 2035, respectively. TA has two renewal options for 15 years each for all of the travel centers. In addition to the payment of our minimum rent, the TA leases provide for payment to us of percentage rent based on increases in total non-fuel revenues over base levels (3% of non-fuel revenues above 2015 non-fuel revenues). These leases provide for payment of an additional half percent (0.5%) of non-fuel revenues above 2019 non-fuel base revenues. TA's remaining deferred rent obligation of \$52,843 is being paid in quarterly installments of \$4,404 through January 31, 2023.
- (7) This property is held for sale at March 31, 2020.
- (8) Other includes 177 tenants with an average investment of \$7,822 and average annual minimum rent of \$517.

As of March 31, 2020, our net lease tenants operated across 22 distinct industries within the service-oriented retail sector of the U.S. economy.

Industry	No. of Buildings	Investment ⁽¹⁾⁽²⁾	Percent of Total Investment	Annualized Minimum Rent ⁽²⁾⁽³⁾	Percent of Total Annualized Minimum Rent	Coverage ⁽⁴⁾
Travel Centers	182	\$ 3,344,496	63.7%	\$ 249,230	65.6%	1.86x
Restaurants-Quick Service	249	319,869	6.1%	20,723	5.5%	2.44x
Movie Theaters	24	209,846	4.0%	17,832	4.7%	1.43x
Restaurants-Casual Dining	63	222,103	4.2%	12,709	3.3%	2.43x
Health and Fitness	13	184,744	3.5%	10,979	2.9%	2.83x
Miscellaneous Retail	19	114,433	2.2%	8,866	2.3%	3.43x
Medical/Dental Office	72	118,098	2.2%	9,099	2.4%	3.56x
Grocery	19	129,219	2.5%	8,598	2.3%	2.72x
Automotive Parts and Service	63	96,496	1.8%	6,529	1.7%	2.85x
Apparel	2	67,770	1.3%	5,891	1.6%	1.54x
Automotive Dealers	9	64,756	1.2%	4,664	1.2%	4.54x
Entertainment	4	61,436	1.2%	4,238	1.1%	2.34x
Educational Services	9	55,647	1.1%	3,719	1.0%	3.13x
Sporting Goods	3	52,022	1.0%	3,489	0.9%	3.44x
Miscellaneous Manufacturing	7	32,873	0.6%	2,402	0.6%	25.29x
Building Materials	26	28,987	0.6%	2,402	0.6%	3.54x
Car Washes	5	28,658	0.5%	2,076	0.5%	4.78x
Drug Stores and Pharmacies	8	23,970	0.5%	1,646	0.4%	1.79x
Legal Services	5	11,362	0.2%	1,008	0.3%	1.45x
General Merchandise	3	7,492	0.1%	555	0.1%	3.27x
Home Furnishings	5	37,215	0.7%	401	0.1%	2.53x
Dollar Stores	3	2,971	0.1%	186	—%	2.83x
Other	3	8,872	0.1%	2,261	0.9%	1.15x
Vacant	17	29,814	0.6%	—	—%	—
Total	813	\$ 5,253,149	100.0%	\$ 379,503	100.0%	2.28x

- (1) Represents historical cost of our net lease properties plus capital improvements funded by us less impairment write-downs, if any.
- (2) As of March 31, 2020, we have six net lease properties with an aggregate carrying value of \$56,688 and annual minimum rent of \$5,433 classified as held for sale.
- (3) Each of our leases provides for payment to us of minimum rent, respectively. Certain of these minimum payment amounts are secured by full or limited guarantees. Annualized minimum rent amounts represent cash rent amounts due to us and exclude adjustments, if any, to record scheduled rent changes under certain of our leases, the deferred rent obligations payable to us under our leases with TA, and the estimated future payments to us under our TA leases for the cost of removing underground storage tanks at our travel centers on a straight-line basis, or any reimbursement of expenses paid by us.
- (4) See page 28 for our definition of coverage. Coverage amounts include data for certain properties for periods prior to when we assumed ownership of them.

As of March 31, 2020, lease expirations at our net lease properties by year are as follows.

Year ⁽¹⁾	Square Feet	Annualized Minimum Rent Expiring ⁽²⁾	Percent of Total Annualized Minimum Rent Expiring	Cumulative % of Total Minimum Rent Expiring
2020	225,364	\$ 4,401	1.2%	1.2%
2021	622,790.4	7,265	1.9%	3.1%
2022	905,743.65	10,809	2.8%	5.9%
2023	148,804	2,481	0.7%	6.6%
2024	694,836	9,988	2.6%	9.2%
2025	545,105	12,635	3.3%	12.5%
2026	1,603,671	14,558	3.8%	16.3%
2027	1,146,673	13,086	3.4%	19.7%
2028	412,496	7,436	2.0%	21.7%
2029	1,308,212	47,213	12.4%	34.1%
2030	171,295	3,649	1.0%	35.1%
2031	1,449,918	51,281	13.6%	48.7%
2032	1,125,517	50,438	13.3%	62.0%
2033	1,100,723	53,194	14.0%	76.0%
2034	310,042	9,051	2.4%	78.4%
2035	2,244,214	77,772	20.6%	99.0%
2036	264,727	3,130	0.8%	99.8%
2037	—	—	0.0%	99.8%
2038	10,183	409	0.1%	99.9%
2039	10,035	556	0.1%	100.0%
2040	33,233	151,000	—	100.0%
Total	14,333,582	379,503	100%	

(1) The year of lease expiration is pursuant to contract terms.

(2) As of March 31, 2020, we have six net lease properties with an annual minimum rent of \$5,433 classified as held for sale.

As of March 31, 2020, shown below is the list of our top ten states where our net lease properties were located. No other state represents more than 3% of our net lease annual minimum rents.

State	Square Feet	Annualized Minimum Rent	Percent of Total Annualized Minimum Rent
Texas	1,205,393	\$ 31,785	8.4%
Illinois	1,019,885	26,099	6.9%
Ohio	1,309,856	26,023	6.9%
California	399,045	23,311	6.1%
Georgia	597,248	19,533	5.1%
Indiana	610,193	18,008	4.7%
Arizona	506,085	16,975	4.5%
Florida	538,130	15,788	4.2%
Pennsylvania	642,533	15,363	4.0%
New Mexico	246,478	10,982	2.9%
Other	7,436,721	175,636	46.3%
	14,511,567	\$ 379,503	100.0%

Related Person Transactions

We have relationships and historical and continuing transactions with RMR LLC, RMR Inc., TA and Sonesta and others affiliated with them. For example: we have no employees and the personnel and various services we require to operate our business are provided to us by RMR LLC pursuant to our business and property management agreements with RMR LLC; RMR Inc. is the managing member of RMR LLC; Adam Portnoy, the Chair of our Board of Trustees and one of our Managing Trustees, is the sole trustee, an officer and the controlling shareholder of ABP Trust, which is the controlling shareholder of RMR Inc., a managing director, president and chief executive officer of RMR Inc., an officer and employee of RMR LLC, the chair of the board of directors and a managing director of TA, a director of Sonesta and, with a person related to him, is a majority owner of Sonesta; John Murray, our other Managing Trustee and our President and Chief Executive Officer, also serves as an executive officer of RMR LLC and a director of Sonesta; and our Secretary also serves as a managing director and executive officer of RMR Inc. and a director of Sonesta. We also have relationships and historical and continuing transactions with other companies to which RMR LLC or its subsidiaries provide management services and which may have trustees, directors and officers who are also trustees, directors or officers of us, RMR LLC or RMR Inc. and some of our Trustees and officers serve as trustees, directors or officers of these companies. For example: TA, is our former subsidiary and largest tenant and we are its largest shareholder; and Sonesta, is one of our hotel managers and we own an approximate 34% equity interest in Sonesta.

For further information about these and other such relationships and related person transactions, see Notes 6, 7, 9 and 10 to our Notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, our 2019 Annual Report, our definitive Proxy Statement for our 2020 Annual Meeting of Shareholders and our other filings with the Securities and Exchange Commission, or SEC. In addition, see the section captioned “Risk Factors” of our 2019 Annual Report and in this Quarterly Report on Form 10-Q for a description of risks that may arise as a result of these and other related person transactions and relationships. Our filings with the SEC and copies of certain of our agreements with these related persons, including our business and property management agreements with RMR LLC and our various agreements with TA and Sonesta, are available as exhibits to our filings with the SEC and accessible at the SEC’s website, www.sec.gov. We may engage in additional transactions with related persons, including businesses to which RMR LLC or its subsidiaries provide management services.

Non-GAAP Financial Measures

We present certain “non-GAAP financial measures” within the meaning of applicable SEC rules, including funds from operations, or FFO, and normalized funds from operations, or 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 (loss). We consider these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with net income. 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.

Funds From Operations and Normalized Funds From Operations

We calculate FFO and Normalized FFO, as shown below. FFO is calculated on the basis defined by The National Association of Real Estate Investment Trusts, 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 below and include business management incentive fees, if any, only in the fourth quarter versus the quarter when they are recognized as an 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 to 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.

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Our calculations of FFO and Normalized FFO for the three months ended March 31, 2020 and 2019 and reconciliations of net income, the most directly comparable financial measure under GAAP reported in our condensed consolidated financial statements, to those amounts appear in the following table (amounts in thousands, except per share amounts).

	For the Three Months Ended March 31,	
	2020	2019
Net income (loss)	\$ (33,650)	\$ 225,787
Add (Less): Depreciation and amortization expense	127,926	99,365
(Gain) loss on sale of real estate ⁽¹⁾	6,911	(159,535)
Loss on asset impairment	16,740	—
Unrealized (gains) and losses on equity securities, net ⁽²⁾	5,045	(20,977)
Adjustments to reflect the entity's share of FFO attributable to an investee ⁽³⁾	112	—
FFO and Normalized FFO	123,084	144,640
Weighted average shares outstanding (basic)	164,370	164,278
Weighted average shares outstanding (diluted) ⁽⁴⁾	164,370	164,322
Basic and diluted per common share amounts:		
Net income (loss)	\$ (0.20)	\$ 1.37
FFO and Normalized FFO	\$ 0.75	\$ 0.88
Distributions declared per share	\$ 0.54	\$ 0.53

(1) We recorded a \$6,911 loss on sale of real estate during the three months ended March 31, 2020 connection with the sales of six net lease properties.

(2) Unrealized gains and losses on equity securities, net represent the adjustment required to adjust the carrying value of our former investment in RMR Inc. and our investment in TA common shares to their fair values as of the end of the period. We sold our shares of RMR Inc. on July 1, 2019.

(3) Represents our proportionate share of our equity investment in Sonesta.

(4) Represents weighted average common shares adjusted to reflect the potential dilution of unvested share awards.

Item 3. Quantitative and Qualitative Disclosures About Market Risk (dollar amounts in thousands, except per share amounts)

We are exposed to risks associated with market changes in interest rates. We manage our exposure to this market risk by monitoring available financing alternatives. Our strategy to manage exposure to changes in interest rates has not materially changed since December 31, 2019. Other than as described below, we do not currently foresee any significant changes in our exposure to fluctuations in interest rates or in how we manage this exposure in the near future.

Fixed Rate Debt

At March 31, 2020, our outstanding publicly tradable debt consisted of 12 issues of fixed rate, senior notes:

Principal Balance	Annual Interest Rate	Annual Interest Expense	Maturity	Interest Payments Due
\$ 400,000	4.250%	\$ 17,000	2021	Semi-Annually
500,000	5.000%	25,000	2022	Semi-Annually
500,000	4.500%	22,500	2023	Semi-Annually
350,000	4.650%	16,275	2024	Semi-Annually
825,000	4.350%	35,888	2024	Semi-Annually
350,000	4.500%	15,750	2025	Semi-Annually
350,000	5.250%	18,375	2026	Semi-Annually
450,000	4.750%	21,375	2026	Semi-Annually
400,000	4.950%	19,800	2027	Semi-Annually
400,000	3.950%	15,800	2028	Semi-Annually
425,000	4.950%	21,038	2029	Semi-Annually
400,000	4.375%	17,500	2030	Semi-Annually
\$ 5,350,000		\$ 246,301		

No principal repayments are due under these notes until maturity. Because these notes require interest at fixed rates, changes in market interest rates during the term of these debts will not affect our interest obligations. If these notes were refinanced at interest rates which are one percentage point higher than the rates shown above, our per annum interest cost would increase by approximately \$53,500. Changes in market interest rates would affect the fair value of our fixed rate debt obligations; increases in market interest rates decrease the fair value of our fixed rate debt while decreases in market interest rates increase the fair value of our fixed rate debt. Based on the balances outstanding at March 31, 2020 and discounted cash flows analyses through the respective maturity dates, and assuming no other changes in factors that may affect the fair value of our fixed rate debt obligations, a hypothetical immediate one percentage point change in interest rates would change the fair value of those debt obligations by approximately \$215,950.

Each of these fixed rate unsecured debt arrangements allows us to make repayments earlier than the stated maturity date. We are generally allowed to make prepayments only at a premium equal to a make whole amount, as defined, which is generally designed to preserve a stated yield to the noteholder. Also, we have in the past repurchased and retired some of our outstanding debts and we may do so again in the future. These prepayment rights and our ability to repurchase and retire outstanding debt may afford us opportunities to mitigate the risks of refinancing our debts at their maturities at higher rates by refinancing prior to maturity.

Floating Rate Debt

At March 31, 2020, our floating rate debt consisted of \$457,000 outstanding under our \$1,000,000 revolving credit facility and our \$400,000 term loan. The maturity date of our revolving credit facility is July 15, 2022, and subject to our meeting certain conditions, including our payment of an extension fee, we have an option to extend the stated maturity date of the facility for two additional six-month periods. The maturity date of our term loan is July 15, 2023. No principal repayments are required under our revolving credit facility prior to maturity, and repayments may be made and redrawn subject to conditions at any time without penalty. No principal prepayments are required under our term loan prior to maturity and we can repay principal amounts outstanding under the term loan subject to conditions at any time without penalty, but after amounts outstanding under our term loan are repaid, amounts may not be redrawn. Borrowings under our revolving credit facility and term loan are in U.S. dollars and require annual interest to be paid at the rate of LIBOR plus premiums that are subject to adjustment based upon changes to our credit ratings. Accordingly, we are vulnerable to changes in U.S. dollar based short term interest rates, specifically LIBOR, and to changes in our credit ratings. In addition, upon renewal or refinancing of our revolving credit facility or our term loan, we are vulnerable to increases in interest rate premiums due to market conditions or our perceived credit characteristics. Generally, a change in interest rates would not affect the value of this floating rate debt but would affect our operating results.

The following table presents the impact a one percentage point increase in interest rates would have on our annual floating rate interest expense as of March 31, 2020:

	Impact of Increase in Interest Rates				Annual Per Share Impact ⁽²⁾
	Interest Rate Per Year ⁽¹⁾	Outstanding Debt	Total Interest Expense Per Year		
At March 31, 2020	2.79%	\$ 857,000	\$ 23,910	\$	0.15
One percentage point increase	3.79%	\$ 857,000	\$ 32,480	\$	0.20

(1) Weighted average based on the interest rates and the respective outstanding borrowings as of March 31, 2020.

(2) Based on diluted weighted average common shares outstanding for the three months ended March 31, 2020.

The following table presents the impact a one percentage point increase in interest rates would have on our annual floating rate interest expense at March 31, 2020 if we were fully drawn on our revolving credit facility and our \$400,000 term loan remained outstanding:

	Impact of Increase in Interest Rates				Annual Per Share Impact ⁽²⁾
	Interest Rate Per Year ⁽¹⁾	Outstanding Debt	Total Interest Expense Per Year		
At March 31, 2020	2.71%	\$ 1,400,000	\$ 37,940	\$	0.23
One percentage point increase	3.71%	\$ 1,400,000	\$ 51,940	\$	0.32

(1) Weighted average based on the interest rates and the respective outstanding borrowings (assuming fully drawn) as of March 31, 2020.

(2) Based on diluted weighted average common shares outstanding for the three months ended March 31, 2020.

The foregoing tables show the impact of an immediate increase in floating interest rates as of March 31, 2020. If interest rates were to increase gradually over time, the impact would be spread over time. Our exposure to fluctuations in floating interest rates will increase or decrease in the future with increases or decreases in the outstanding amounts under our revolving credit facility and term loan or other floating rate debt, if any. Although we have no present plans to do so, we may in the future enter into hedge arrangements from time to time to mitigate our exposure to changes in interest rates.

LIBOR Phase Out

LIBOR is currently expected to be phased out in 2021. We are required to pay interest on borrowings under our credit facility and term loan at floating rates based on LIBOR. Future debt that we may incur may also require that we pay interest based upon LIBOR. We currently expect that the determination of interest under our credit agreement would be revised as provided under the agreement or amended as necessary to provide for an interest rate that approximates the existing interest rate as calculated in accordance with LIBOR for similar types of loans. Despite our current expectations, we cannot be sure that, if LIBOR is phased out or transitioned, the changes to the determination of interest under our agreements would approximate the current calculation in accordance with LIBOR. We do not know what standard, if any, will replace LIBOR if it is phased out or transitioned.

Item 4. Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, our management carried out an evaluation, under the supervision and with the participation of our President and Chief Executive Officer and our Chief Financial Officer and Treasurer, of the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, our President and Chief Executive Officer and our Chief Financial Officer and Treasurer concluded that our disclosure controls and procedures are effective.

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Warning Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that constitute 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. Forward-looking statements in this Quarterly Report on Form 10-Q relate to various aspects of our business, including:

- The duration and severity of the economic downturn resulting from the COVID-19 pandemic and its impact on us and our operators and tenants,
- Our expectations about our ability and the ability of our operators and tenants to operate throughout the COVID-19 pandemic and withstand the resulting economic downturn,
- The likelihood and extent to which our operators and tenants will be negatively impacted by the COVID-19 pandemic and its aftermath and their abilities and willingness to pay the contractual amounts of returns, rents or other obligations due to us,
- Our ability to maintain sufficient liquidity during the duration of the COVID-19 pandemic and resulting economic downturn,
- Potential defaults on, or non-renewal of, leases by our tenants,
- Decreased rental rates or increased vacancies,
- Our sales and acquisitions of properties,
- Our policies and plans regarding investments, financings and dispositions,
- Our ability to pay interest on and principal of our debt,
- Our ability to pay distributions to our shareholders and to sustain the amount of such distributions,
- Our ability to raise or appropriately balance the use of debt or equity capital,
- Our intent to make improvements to certain of our properties and the success of our hotel renovations,
- Our ability to engage and retain qualified managers and tenants for our hotels and net lease properties on satisfactory terms,
- Our ability to diversify our sources of rents and returns that improve the security of our cash flows,
- The future availability of borrowings under our revolving credit facility,
- Our credit ratings,
- Our expectation that we benefit from our relationships with RMR LLC and Sonesta,
- Our qualification for taxation as a REIT,
- Changes in federal or state tax laws, and

- Other matters.

Our 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. Risks, uncertainties and other factors that could have a material adverse effect on our forward-looking statements and upon our business, results of operations, financial condition, FFO, Normalized FFO, cash flows, liquidity and prospects include, but are not limited to:

- The impact of conditions in the economy, including the COVID-19 pandemic and the resulting economic downturn, and the capital markets on us and our operators and tenants,
- Competition within the real estate, hotel, transportation and travel center and other industries in which our tenants operate, particularly in those markets in which our properties are located,
- Compliance with, and changes to, federal, state and local laws and regulations, accounting rules, tax laws and similar matters,
- Limitations imposed on our business and our ability to satisfy complex rules in order for us to maintain our qualification for taxation as a REIT for U.S. federal income tax purposes,
- Acts of terrorism, outbreaks of pandemics, including the COVID-19 pandemic, or other manmade or natural disasters beyond our control, and
- Actual and potential conflicts of interest with our related parties, including our Managing Trustees, TA, Sonesta, RMR LLC, and others affiliated with them.

For example:

- Our ability to make future distributions to our shareholders and to make payments of principal and interest on our indebtedness depends upon a number of factors, including our future earnings, the capital costs we incur to acquire and maintain our properties and our working capital requirements. We may be unable to pay our debt obligations or to increase or maintain our current rate of distributions on our common shares and future distributions may be reduced or eliminated,
- Certain of our aggregate annual minimum returns and rents are or were secured by guarantees or security deposits from our managers and tenants. This may imply that these minimum returns and rents will be paid. In fact, certain of these guarantees and security deposits are or were limited in amount and duration and all the guarantees are subject to the guarantors' abilities and willingness to pay. We cannot be sure of the future financial performance of our properties and whether such performance will cover our minimum returns and rents, whether the guarantees or security deposits will be adequate to cover future shortfalls in the minimum returns or rents due to us which they guarantee or secure, or regarding our managers', tenants' or guarantors' future actions if and when the guarantees and security deposits expire or are depleted or their abilities or willingness to pay minimum returns and rents owed to us. Based on our current estimates, we project that we will exhaust all of the security deposits and most of the guarantees our hotel operators have provided to us by as early as the second quarter of 2020. Moreover, the security deposits we hold are not segregated from our other assets and, although the application of security deposits to cover payment shortfalls will result in us recording income, it will not result in us receiving additional cash. Because we do not receive any additional cash payment as we apply security deposits to cover payment shortfalls, the failure of our managers or tenants to pay minimum returns or rents due to us may reduce our cash flows and our ability to pay distributions to shareholders,
- We have no guarantees or security deposits for the minimum returns due to us from our Sonesta agreement or under our Wyndham agreement. Accordingly, we may receive amounts that are less than the contractual minimum returns stated in these agreements, or we may be requested to fund losses,
- We have recently renovated certain hotels and are currently renovating additional hotels. Operating results at our hotels may decline as a result of having rooms out of service or other disruptions during renovations. Also, while our funding of these capital projects will cause our contractual minimum returns to increase, the hotels' operating results may not increase or may not increase to the extent that the minimum returns increase. Accordingly, coverage of our minimum returns at these hotels may remain depressed for an extended period,

- If general economic activity in the country declines, the operating results of certain of our properties may decline, the financial results of our managers and our tenants may suffer and these managers and tenants may be unable to pay our returns or rents. Also, depressed operating results from our properties for extended periods may result in the operators of some or all of our properties becoming unable or unwilling to meet their obligations or their guarantees and security deposits we hold may be exhausted,
- Hotel and other competitive forms of temporary lodging supply (for example, Airbnb) have been increasing and may affect our hotel operators' ability to grow ADR and occupancy, and ADR and occupancy could decline due to increased competition which may cause our hotel operators to become unable to pay our returns or rents,
- If the current level of commercial activity in the country declines including as a result of the current economic downturn in response to the COVID-19 pandemic if the price of diesel fuel increases significantly, if fuel conservation measures are increased, if freight business is directed away from trucking, if TA is unable to effectively compete or operate its business, if fuel efficiencies, the use of alternative fuels or transportation technologies reduce the demand for products and services TA sells or for various other reasons, TA may become unable to pay current and deferred rents due to us,
- Cash flows generated by certain tenant businesses may not be sufficient for a tenant to meet its obligations to us. Our tenants' failures to successfully operate their businesses could materially and adversely affect us.
- Our ability to grow our business and increase our distributions depends in large part upon our ability to buy properties that generate returns or can be leased for rents which exceed our operating and capital costs. We may be unable to identify properties that we want to acquire and we may fail to reach agreement with the sellers and complete the purchases of any properties we do want to acquire. In addition, any properties we may acquire may not generate returns or rents which exceed our operating and capital costs,
- We believe that our portfolio agreements include diverse groups of properties. Our portfolio agreements may not increase the security of our cash flows or increase the likelihood our agreements will be renewed as we expect,
- We were in the process of marketing certain hotel assets for sale in order to reduce our leverage. Current market conditions have forced us to suspend efforts to sell these properties. We may not complete the sales of any additional hotel assets we plan to sell, and we may determine to sell fewer, additional or other assets than those we may target for sale. Also, we may sell assets at prices that are less than we expect and less than their carrying values and we may incur losses on these sales or with respect to these assets, or may not ultimately use any proceeds we may receive to reduce debt leverage,
- At March 31, 2020, we had \$55.2 million of cash and cash equivalents, \$543.0 million available under our \$1.0 billion revolving credit facility and security deposits and guarantees covering some of our minimum returns and rents. These statements may imply that we have sufficient working capital and liquidity. Certain tenants have requested and we have granted certain rent relief and these requests could increase. In addition, our managers and tenants may not be able to fund minimum returns and rents due to us from operating our properties or from other resources. In the past and currently, certain of our tenants and managers have in fact not paid the minimum amounts due to us from their operations of our leased or managed properties. Also, certain of the security deposits and guarantees we have to cover any such shortfalls are limited in amount and duration, and any security deposits we apply for such shortfalls do not result in additional cash flows to us. Our properties require, and we have agreed to provide, significant funding for capital improvements, renovations and other matters. Accordingly, we may not have sufficient working capital or liquidity,
- We may be unable to repay our debt obligations when they become due,
- We intend to conduct our business activities in a manner that will afford us reasonable access to capital for investment and financing activities. However, we may not succeed in this regard and we may not have reasonable access to capital, including due to the COVID-19 pandemic and the resulting economic downturn. However, if challenging market conditions, including due to the COVID-19 pandemic and the resulting economic downturn, last for a long period or worsen, our operators and tenants may experience liquidity constraints and as a result may be unable or unwilling to pay returns or rents to us and our ability to operate our business effectively may be challenged. If our operating results and financial condition are significantly negatively impacted by the current economic conditions or otherwise, we may fail to satisfy those covenants and conditions,

- Continued availability of borrowings under our revolving credit facility is subject to our satisfying certain financial covenants and other credit facility conditions, which we may be unable to satisfy, despite the receipt of the limited waiver we received,
- Actual costs under our revolving credit facility or other floating rate debt will be higher than LIBOR plus a premium because of fees and expenses associated with such debt,
- The maximum borrowing availability under our revolving credit facility and term loan may be increased to up to \$2.3 billion on a combined basis; however, the feature pursuant to which such maximum borrowing availability may be increased may not be utilized during the Waiver Period.
- The premiums used to determine the interest rate payable on our revolving credit facility and term loan and the facility fee payable on our revolving credit facility are based on our credit ratings. Changes in our credit ratings may cause the interest and fees we pay to increase,
- We have the option to extend the maturity date of our revolving credit facility upon payment of a fee and meeting other conditions; however, the applicable conditions may not be met,
- The business and property management agreements between us and RMR LLC have continuing 20 year terms. However, those agreements permit early termination in certain circumstances. Accordingly, we cannot be sure that these agreements will remain in effect for continuing 20 year terms, and
- We believe that our relationships with our related parties, including RMR LLC, RMR Inc., TA, Sonesta and others affiliated with them may benefit us and provide us with competitive advantages in operating and growing our business. However, the advantages we believe we may realize from these relationships may not materialize.

Currently unexpected results could occur due to many different circumstances, some of which are beyond our control, such as pandemics, acts of terrorism, natural disasters, changes in our managers' or tenants' revenues or expenses, changes in our managers' or tenants' financial conditions, the market demand for hotel rooms or the goods and services provided at our properties or changes in capital markets or the economy generally.

The information contained elsewhere in this Quarterly Report on Form 10-Q and in our 2019 Annual Report or in our other filings with the SEC, including under the caption "Risk Factors", or incorporated herein or therein, identifies other important factors that could cause differences from 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.

Statement Concerning Limited Liability

The Amended and Restated Declaration of Trust establishing Service Properties Trust dated August 21, 1995, as amended and supplemented, as filed with the State Department of Assessments and Taxation of Maryland, provides that no trustee, officer, shareholder, employee or agent of Service Properties Trust shall be held to any personal liability, jointly or severally, for any obligation of, or claim against, Service Properties Trust. All persons dealing with Service Properties Trust in any way shall look only to the assets of Service Properties Trust for the payment of any sum or the performance of any obligation.

Part II Other Information

Item 1A. Risk Factors

Our business faces many risks, a number of which are described under the caption “Risk Factors” in our 2019 Annual Report. The risks described in our 2019 Annual Report and below may not be the only risks we face. Other risks of which we are not yet aware, or that we currently believe are not material, may also materially and adversely impact our business operations or financial results. If any of the events or circumstances described in the risk factors contained in our 2019 Annual Report or described below occurs, our business, financial condition or results of operations could be adversely impacted and the value of an investment in our securities could decline. Investors and prospective investors should consider the risks described in our 2019 Annual Report and below, and the information contained under the caption “Warning Concerning Forward-Looking Statements” and elsewhere in this Quarterly Report on Form 10-Q before deciding whether to invest in our securities.

Our business, operations, financial results and liquidity have been materially and adversely impacted by the COVID-19 pandemic, and it is not known what the duration of this pandemic will be or what its ultimate adverse impact on us and our business will be, but we expect it will be substantial.

COVID-19 has been declared a pandemic by the World Health Organization, and the U.S. Health and Human Services Secretary has declared a public health emergency in the United States in response to the outbreak. The COVID-19 pandemic has had a devastating impact on the global economy, including the U.S. economy, and has resulted, or is expected to result, in a global economic recession.

These conditions have materially and adversely impacted our business, operations, financial results and liquidity. In particular, a variety of factors related to the COVID-19 pandemic have caused, and are expected to continue to cause, a decline in the business and leisure travel and entertainment industries, including, but not limited to, (i) restrictions on travel and public gatherings imposed by governmental entities and employers, (ii) the closure of hotels, restaurants and entertainment venues, (iii) the postponement or cancellation of industry conventions and conferences, music and arts festivals, sporting events and other large public gatherings, (iv) the closure of amusement parks, museums and other tourist attractions, (v) the closure of colleges and universities, and (vi) negative public perceptions of travel and public gatherings in light of the perceived risks associated with the COVID-19 pandemic. The reduced economic activity resulting from these factors has severely and negatively impacted our hotel operations and our hotels have experienced a large decline in occupancy and revenues.

In addition, some of our tenants at our net lease retail properties have had to close their businesses, and have experienced substantial declines in their businesses. Some of these tenants have sought rent relief from us and we expect these closures, declines and requests to continue or increase in the future. The travel centers operated by TA primarily provide goods and services to the trucking industry, and demand for trucking services in the United States generally reflects the amount of commercial activity in the U.S. economy. When the U.S. economy declines, demand for goods moved by trucks declines, and in turn demand for the products and services provided at our travel centers typically declines. Although TA’s services have been designated “essential services” by many public authorities, there can be no assurance that such a designation will continue and that, if it does, it will enable TA to avoid adverse effects to its operations and business. TA’s business was not initially as negatively impacted by the COVID-19 pandemic as the U.S. economy generally due to an initial spike in demand as businesses and households stocked up on certain goods and supplies that were transported by trucks. However, if current economic conditions continue for a prolonged period or worsen, TA’s business may be materially and adversely affected by such continued and increasing decline in economic activities and movement of goods across the United States.

In addition, quarantines, temporary closures of businesses, states of emergencies and other measures taken to curb the spread of COVID-19 may negatively impact the ability of our managers and tenants to continue to obtain necessary goods and services or provide adequate staffing, which may also adversely affect our operating results.

We cannot predict the extent and duration of the COVID-19 pandemic or the severity and duration of its economic impact, but we expect it will be substantial. Potential consequences of the current unprecedented measures taken in response to the spread of COVID-19 and current market disruptions and volatility affecting us include, but are not limited to:

- the current low market price of our common shares may continue for an indefinite period and could decline further;
- possible significant declines in the value of our properties;
- our inability to accurately or reliably value our portfolio;
- our inability to comply with financial covenants that could result in our defaulting under our debt agreements;

- our maintaining the current reduced rate of distributions on our common shares for an extended period of time or suspending our payment of distributions entirely;
- our failure to pay interest and principal when due under our outstanding debt, which may result in the acceleration of payment for our outstanding debt and our possible loss of our revolving credit facility;
- our inability to access debt and equity capital on attractive terms, or at all;
- further downgrades of our credit ratings by nationally recognized credit rating agencies;
- increased risk of default or bankruptcy of our managers or tenants;
- increased risk of our managers or tenants being unable to weather an extended cessation of normal economic activity and thereby impairing their ability to continue functioning as a going concern and to pay rent and returns to us;
- our inability to sell properties we may identify for sale due to a general decline in business activity and demand for real estate transactions and, as a result, our inability to reduce our leverage;
- our inability to make improvements to our properties due to a construction moratorium or decrease in available construction workers or construction activity, including required inspectors and governmental personnel for permitting and other requirements, and due to our need to maintain our liquidity;
- our managers' and tenants' inability to operate our businesses if the health of their respective management personnel and other employees is affected, particularly if a significant number of individuals are negatively impacted; and
- reduced economic demand resulting from mass employee layoffs or furloughs in response to governmental action taken to slow the spread of COVID-19, which could impact the continued viability of our managers and tenants and the demand for our hotels, travel centers and retail space.

Further, the extent and strength of any economic recovery after the COVID-19 pandemic abates are uncertain and subject to various factors and conditions. Our and our hotel managers' and retail-based tenants' businesses, operations and financial positions may continue to be negatively impacted after the COVID-19 pandemic abates and may remain at depressed levels as compared to prior to the outbreak of the COVID-19 pandemic and those conditions may continue for an extended period.

We have taken several actions in an attempt to address the operating and financial impact from the COVID-19 pandemic, and we continue to assess and explore other actions, but those actions and plans may not be sufficient to avoid continued and potentially increased substantial harm to our business, operations and financial condition.

We have taken several actions in an attempt to address the operating and financial impact from the COVID-19 pandemic, including:

- we reduced our quarterly distribution rate to \$0.01 per share payable to our shareholders;
- capital expenditures will primarily be limited to maintenance capital, contractual obligations and projects in process;
- we obtained a limited waiver from our lenders under our credit facility from compliance with certain financial covenants;
- we have been in regular, frequent contact with our hotel managers to implement cost savings measures to minimize losses and preserve liquidity, including agreeing to the closures of certain hotels, the reduction of hotel operating staff and certain other measures; and
- we have communicated with many of our net lease retail tenants regarding their operation of our properties in the current challenging economic conditions, and we have provided deferrals of approximately \$8,584 of rent owed to us that are now required to be payable in installments beginning later this year.

There can be no assurance that these actions or others that we may take will be successful or that they will enable us to maintain sufficient liquidity and withstand the current economic challenges.

We recently reduced our quarterly rate of distribution on our common shares to \$0.01 per share for the quarter ended March 31, 2020 and future distributions may remain at this level for an indefinite period or be eliminated and the form of payment could change.

We announced on March 30, 2020 that we had reduced our regular quarterly cash distributions rate on our common shares to \$0.01 per share for the quarter ended March 31, 2020. We intend to continue to make regular quarterly distributions to our shareholders at this reduced rate. However:

- our ability to make or sustain the rate of distributions may continue to be adversely affected by the negative impact of the COVID-19 pandemic and its aftermath on our business, results of operations and liquidity;
- our making of distributions is subject to compliance with restrictions contained in our credit agreement, including being limited to amounts required to maintain our qualification for taxation as a REIT and \$0.01 per common share per quarter, ; and during the continuance of any event of default under our credit agreement, we may be limited or in some cases prohibited from making distributions to our shareholders;
- any future debt obligations we may incur may impose similar or other restrictions on our ability to pay distributions to our shareholders; and
- the timing and amount of any distributions will be determined at the discretion of our Board of Trustees and will depend on various factors that our Board of Trustees deems relevant, including, but not limited to our FFO and Normalized FFO, 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 to 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.

For these reasons, among others, our distribution rate may not increase for an indefinite period and could be eliminated.

In order to preserve liquidity, we may elect to pay distributions to our shareholders in part in a form other than cash, such as issuing additional common shares of ours to our shareholders, as permitted by the applicable tax rules.

We may exhaust the security deposits and guarantees our hotel operators have provided to us, which would significantly reduce the security of our minimum returns and rents from our hotels, subject our operating results to potentially significantly increased variability and potentially fundamentally alter our business arrangements with our hotel operators.

Based on our current estimates, we project that we will exhaust all of the security deposits and most of the guarantees our hotel operators have provided to us by as early as the end of the second quarter 2020. This change will significantly reduce the security of our minimum returns from our hotels and potentially significantly increase the variability of our operating results. If our hotel operators are unwilling or unable to fund our minimum returns and rents, we may have the right to terminate our operating agreements with that operator and change the operator of the hotel. Our agreements with our hotel operators are pooled and generally provide for cross-defaults and termination rights on a portfolio basis. In that case, a default under one operating agreement, and that operator's unwillingness or inability to fund shortfalls in our minimum returns or rents, may give rise to a termination of the operating arrangements for the entire portfolio of our hotels operated by that operator. As a result, our business arrangements with our hotel operators could fundamentally change and those changes may harm us, our business, our results of operations and financial condition. We do not know how our hotel operators may address any shortfalls in our minimum returns or rents, particularly under the current economic conditions.

Our investment activities, other than maintenance and any urgent capital expenditures at our existing properties, have been significantly curtailed and we expect that to continue for an indefinite period.

We are not actively pursuing acquisitions at this time. We are prioritizing capital spending to conserve cash and liquidity. In addition, the waiver we obtained from our lenders for relief from compliance with certain financial covenants under our credit facility limits our ability to make acquisitions through the Waiver Period. As a result, we will be limited in pursuing investments, which may limit our ability to grow and to act upon opportunities we believe would benefit us. Further, to the extent we defer capital expenditures, we may be required to make increased capital expenditures in later periods as a result and some of the expenditures may be greater in scope and amount than they may have been if made sooner.

We expect that the sale of hotels that we previously announced an intention to sell will be delayed and could be changed or abandoned, and if we do not sell certain of those hotels by a certain agreed upon date, the manager of those hotels, or our management agreements with them, may change.

We expect that the sales of our hotels that we had previously identified for sale will be delayed until later in 2020 or until 2021 as a result of current market conditions. However, any sales of these hotels may be delayed beyond 2021, they may not occur or, if they do occur, they may be sold at prices less than previously expected and we may realize losses from those hotels. Our ability to sell these hotels, and the sales prices may continue to be affected by the impact of the COVID-19 pandemic, and we may be unable to execute our strategy. In addition, if we do not sell or rebrand certain of these hotels by agreed upon dates, our current managers of those hotels may elect not to continue to manage those hotels or may require changes to our management agreements with them in order to agree to continue managing those hotels. For example, Wyndham currently manages 20 of our hotels and we and Wyndham have agreed to end our relationship by September 30, 2020. In addition, we and Marriott have agreed to sell 33 of our hotels that Marriott currently manages for us by December 31, 2020. Furthermore, we were in the process of launching a marketing effort related to our 39 Sonesta ES hotels. If we do not resell or rebrand these hotels currently managed by Wyndham, Marriott and Sonesta we do not know whether these managers will continue to manage these hotels and, if so, on what terms.

Many of our tenants and certain of our hotel managers have requested relief from their obligations to pay us rent and returns in response to the current economic conditions resulting from the COVID-19 pandemic and we expect to receive additional similar requests in the future; we have provided certain limited relief in response to these requests and may determine to grant additional relief in the future if we determine it prudent or appropriate to do so.

The current economic conditions resulting from the COVID-19 pandemic have significantly negatively impacted our tenants' and hotel managers' businesses, operations and liquidity. Many of our tenants and certain of our hotel managers have requested relief from their obligations to pay rent and returns due to us. We have entered into rent deferral agreements with 84 net lease retail tenants with leases requiring an aggregate of \$61,963 of annual minimum rents. Generally these rent deferrals are for one to three months of rent and will be repayable by the tenants over a 12 month period beginning in September 2020. As of May 7, 2020, we have deferred an aggregate of \$8,584 of rent. We expect to receive additional similar requests in the future, and we may determine to grant additional relief in the future, which may vary from the type of relief we have granted to date, and could include more substantial relief, if we determine it prudent or appropriate to do so. In addition, if our tenants and hotel managers are unable to continue as going concerns as a result of the current economic conditions or otherwise, we will experience a reduction in rents and returns received and we may be unable to find suitable replacement tenants and hotel managers for an extended period or at all and the terms of our agreements with those replacement tenants and hotel managers may not be as favorable to us as the terms of our agreements with our existing tenants and hotel managers.

We may need additional waivers from our lenders in order to avoid defaulting under our revolving credit facility and the terms of our current waiver impose restrictions on our ability to pay distributions, make investments and certain capital improvements and any future waiver may impose similar or additional restrictions.

We obtained a waiver in May 2020 from the lenders under our revolving credit facility for certain financial covenant relief for the four quarterly periods ending March 31, 2021. In addition, we may need to obtain an extension or additional waivers from the lenders under our revolving credit facility in the future in order to avoid failing to satisfy certain financial covenants under our credit agreement, but our lenders are not required to grant any such waiver and may determine not to do so. If we fail to receive any required waiver, we may be in default under our credit agreement and the lenders could terminate the credit facility and require us to pay our then outstanding borrowings under our credit facility. Our current waiver imposes restrictions on our ability to pay distributions, other than as currently contemplated or to maintain our qualification for taxation as a REIT, make investments and certain capital improvements. Any future waiver we may obtain may impose similar or additional restrictions, which may limit our ability to pay or increase distributions to our shareholders, make investments that we believe we should make and could reduce our ability to pursue business opportunities, grow our business and improve our operating results.

We do not expect to reduce our debt leverage in accordance with our previously contemplated timing and our debt leverage may remain at or above current levels for an indefinite period.

We previously announced an intention to reduce our debt leverage using proceeds from the planned sales of certain of our hotels. As noted elsewhere in this Quarterly Report on Form 10-Q, we expect that the sales of these hotels will be delayed, may not occur or, if they do occur, they may be sold at sales prices lower than previously expected. We expect the delay in these sales will also delay our ability to reduce our debt leverage. Further, if we realize a lower amount of proceeds from any hotel sales than we previously expected, any corresponding reduction in our debt leverage would be similarly reduced. In addition, we may elect to incur additional debt in order to ensure that we have sufficient liquidity to manage our business through the current economic conditions and any extended economic downturn or recession that may result.

The COVID-19 pandemic may have significant impacts on workplace practices and those changes could be detrimental to our business.

Temporary closures of businesses and stay-at-home orders and the resulting remote working arrangements for nonessential personnel in response to the COVID-19 pandemic may result in long-term changed work practices that could negatively impact us and our business. For example, the increased adoption of and familiarity with remote work practices could result in decreased demand for in person meetings. If that occurred, business travel may decline significantly from levels experienced prior to the outbreak of the COVID-19 pandemic, which could materially and adversely impact our hotels' operating results and the values of our hotels if we and our hotel managers were not able to offset revenues lost from the decline in business travel. In addition, certain of our retail tenants' businesses depend on people gathering in close proximity, including movie theaters, restaurants and fitness centers, among others. To the extent that social distancing practices that have been adopted in response to the COVID-19 pandemic become sustained practices, those tenants' businesses are likely to be materially and adversely impacted, which may reduce their ability to pay us rent, increase the likelihood they will default in paying us rent and likely reduce the value of those properties.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer purchases of equity securities. The following table provides information about our purchases of our equity securities during the quarter ended March 31, 2020:

Calendar Month	Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
January 2020	1,380	\$ 23.34	\$ —	\$ —
February 2020	—	—	—	—
March 2020	1,257	8.70	—	—
Total	2,637	\$ 16.36	\$ —	\$ —

- (1) These common share withholdings and purchases were made to satisfy the tax withholding and payment obligations of certain of our current and former officers and certain other current and former RMR LLC employees in connection with awards of our common shares and the vesting of those awards and prior awards of common shares to them. We withheld and purchased these shares at their fair market value based upon the trading price of our common shares at the close of trading on Nasdaq on the purchase date.

Item 5. Other Information

On May 8, 2020, we amended the credit agreement governing our \$1 billion unsecured revolving credit facility and \$400 million unsecured term loan. The amendment provides for a waiver of certain of the financial covenants under our credit agreement through the Waiver Period, during which, subject to certain conditions, we will continue to have access to undrawn amounts under the credit facility.

Pursuant to the amendment, certain of the covenants contained in our credit agreement, including covenants that require us to maintain certain financial ratios, and their related definitions, were modified or waived through the Waiver Period. The maturity dates of the credit facilities remain unchanged by the amendment. The amended credit agreement provides that we can continue to access undrawn amounts under our credit facility and that we can continue to repay and reborrow funds available under our revolving credit facility until maturity with no principal repayment being due until maturity; however, we are required to maintain \$125 million of unrestricted cash or undrawn availability under our \$1 billion revolving credit facility during the Waiver Period. The \$1 billion amount of our revolving credit facility and the \$400 million amount of our term loan remained unchanged by the amendment; however, the feature pursuant to which the maximum commitments and borrowings under the credit agreement may be increased to up to \$2.3 billion on a combined basis in certain circumstances may not be utilized during the Waiver Period.

The amended credit agreement provides for certain additional restrictions on us during the Waiver Period. Subject to certain exceptions and without the prior written consent of the lenders, we are generally restricted during the Waiver Period from incurring additional debt or acquiring additional properties or other investments. Pursuant to the amended credit agreement, our ability to pay cash distributions to our shareholders is limited during the Waiver Period to amounts required to maintain our qualification for taxation as a REIT, to avoid the payment of income or excise taxes and to pay a dividend of \$0.01 per share per quarter, and our capital expenditures are generally limited during the Waiver Period to maintenance capital expenditures, contractual obligations, projects in process and certain other permitted amounts. The amended credit agreement also provides that, during the Waiver Period, any cash proceeds we or our subsidiaries receive from the sale or disposition of any asset, any capital market transaction, any debt refinancing or a COVID-19 government stimulus program must be used first to reduce the principal balance under the credit facilities, with any remaining amounts to be used to repay our other debt or retained by us at our discretion.

In addition, as a result of the amendment, the interest rate payable on borrowings under our revolving credit facility was increased from a rate of LIBOR plus a premium of 120 basis points per annum to a rate of LIBOR plus a premium of 170 basis points per annum and the facility fee remained unchanged at 25 basis points per annum on the total amount of lending commitments under this facility. Also as a result of the amendment, the interest rate payable on borrowings under our term loan was increased from a rate of LIBOR plus a premium of 135 basis points per annum to a rate of LIBOR plus a premium of 185 basis points per annum. The interest rate premiums and the facility fee continue to be subject to adjustment based upon changes to our credit ratings.

In connection with the amendment to our credit agreement, on May 8, 2020, we and certain of our subsidiaries, or the Pledgors, entered into a pledge agreement in favor of Wells Fargo Bank, National Association, in its capacity as administrative agent, or the Pledge Agreement. Pursuant to the Pledge Agreement, the Pledgors have pledged all their respective equity interests in certain of our direct and indirect subsidiaries as collateral for all loans and other obligations under our credit agreement. From time to time during the Waiver Period, these pledges will be removed or new ones added based on outstanding debt amounts under the credit facilities and, following the Waiver Period, the pledges will be released, subject to various conditions.

Wells Fargo Bank, National Association and the other lenders party to the amended credit agreement, as well as their affiliates, have engaged in, and may in the future engage in, investment banking, commercial banking, advisory and other commercial dealings in the ordinary course of business with us. They have received, and may in the future receive, customary fees and commissions for these engagements.

The foregoing descriptions of the amendment to our credit agreement and the Pledge Agreement are not complete and are subject to and qualified in their entirety by reference to the copies of the second amendment to our credit agreement and Pledge Agreement attached as Exhibits 10.2 and 10.3, respectively, to this Quarterly Report on Form 10-Q and incorporated herein by reference.

Item 6. Exhibits

Exhibit Number	Description
3.1	Composite Copy of Amended and Restated Declaration of Trust, dated as of August 21, 1995, as amended to date. (Incorporated by reference to the Company's Current Report on Form 8-K dated September 23, 2019.)
3.2	Amended and Restated Bylaws of the Company, adopted effective September 23, 2019. (Incorporated by reference to the Company's Current Report on Form 8-K dated September 20, 2019.)
4.1	Form of Common Share Certificate. (Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2019.)
4.2	Indenture, dated as of February 25, 1998, between the Company and State Street Bank and Trust Company. (Incorporated by reference to Exhibit 4.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997.)
4.3	Supplemental Indenture No. 14, dated as of August 16, 2012, between the Company and U.S. Bank National Association, relating to the Company's 5.000% Senior Notes due 2022, including form thereof. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012.)
4.4	Supplemental Indenture No. 15, dated as of June 6, 2013, between the Company and U.S. Bank National Association, relating to the Company's 4.500% Senior Notes due 2023, including form thereof. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.)
4.5	Authentication Order, dated January 13, 2017, from the Company to U.S. Bank National Association, relating to the Company's 4.500% Senior Notes due 2023. (Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2016.)
4.6	Supplemental Indenture No. 16, dated as of March 12, 2014, between the Company and U.S. Bank National Association, relating to the Company's 4.650% Senior Notes due 2024, including form thereof. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014.)
4.7	Supplemental Indenture No. 17, dated as of September 12, 2014, between the Company and U.S. Bank National Association, relating to the Company's 4.50% Senior Notes due 2025, including form thereof. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.)
4.8	Indenture, dated as of February 3, 2016, between the Company and U.S. Bank National Association. (Incorporated by reference to the Company's Current Report on Form 8-K dated February 1, 2016.)
4.9	First Supplemental Indenture, dated as of February 3, 2016, between the Company and U.S. Bank National Association, relating to the Company's 4.25% Senior Notes due 2021, including form thereof. (Incorporated by reference to the Company's Current Report on Form 8-K dated February 1, 2016.)
4.10	Second Supplemental Indenture, dated as of February 3, 2016, between the Company and U.S. Bank National Association, relating to the Company's 5.25% Senior Notes due 2026, including form thereof. (Incorporated by reference to the Company's Current Report on Form 8-K dated February 1, 2016.)
4.11	Third Supplemental Indenture, dated as of January 13, 2017, between the Company and U.S. Bank National Association, relating to the Company's 4.950% Senior Notes due 2027, including form thereof. (Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2016.)

Exhibit Number	Description
4.12	Fourth Supplemental Indenture, dated as of October 26, 2017, between the Company and U.S. Bank National Association, relating to the Company's 3.950% Senior Notes due 2028, including form thereof. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017.)
4.13	Fifth Supplemental Indenture, dated as of February 2, 2018, between the Company and U.S. Bank National Association, relating to the Company's 4.375% Senior Notes due 2030, including form thereof. (Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2017.)
4.14	Sixth Supplemental Indenture, dated as of September 18, 2019, between the Company and U.S. Bank National Association, relating to the Company's 4.350% Senior Notes due 2024, including form thereof. (Incorporated by reference to the Company's Current Report on Form 8-K dated September 18, 2019.)
4.15	Seventh Supplemental Indenture, dated as of September 18, 2019, between the Company and U.S. Bank National Association, relating to the Company's 4.750% Senior Notes due 2026, including form thereof. (Incorporated by reference to the Company's Current Report on Form 8-K dated September 18, 2019.)
4.16	Eighth Supplemental Indenture, dated as of September 18, 2019, between the Company and U.S. Bank National Association, relating to the Company's 4.950% Senior Notes due 2029, including form thereof. (Incorporated by reference to the Company's Current Report on Form 8-K dated September 18, 2019.)
4.17	Registration Rights and Lock-Up Agreement, dated as of June 5, 2015, among the Company, ABP Trust (f/k/a Reit Management & Research Trust), Barry M. Portnoy and Adam D. Portnoy. (Incorporated by reference to the Company's Current Report on Form 8-K dated June 5, 2015.)
10.1	Form of Indemnification Agreement. (Filed herewith.)
10.2	Second Amendment to Second Amended and Restated Credit Agreement, dated as of May 8, 2020, among the Company, Wells Fargo Bank, National Association, as Administrative Agent, and each of the other financial institutions signatory thereto. (Filed herewith.)
10.3	Pledge Agreement, dated as of May 8, 2020, between the Company, certain of its direct and indirect Subsidiaries and Wells Fargo Bank, National Association. (Filed herewith.)
10.4	Representative Form of Amended and Restated Management Agreement between Sonesta International Hotels Corporation and Cambridge TRS, Inc. (Non-Sale Properties). (Filed herewith.) (Schedule of applicable agreements filed herewith.)
10.5	Representative Form of Amended and Restated Management Agreement between Sonesta International Hotels Corporation and Cambridge TRS, Inc. (Sale Properties). (Filed herewith.) (Schedule of applicable agreements filed herewith.)
10.6	Amended and Restated Pooling Agreement, dated February 27, 2020, among Sonesta International Hotels Corporation, Sonesta Clift LLC, Sonesta Chicago LLC, Cambridge TRS, Inc., HPT Clift TRS LLC and HPT Wacker Drive TRS LLC. (Filed herewith.)
10.7	Stockholders Agreement, dated as of February 27, 2020, by and among Sonesta Holdco Corporation, the Company, SVC Holdings LLC, Adam D. Portnoy and Diane Portnoy, as trustee of the Diane Portnoy 2019 Revocable Trust under agreement dated May 28, 2019. (Filed herewith.)
31.1	Rule 13a-14(a) Certification. (Filed herewith.)
31.2	Rule 13a-14(a) Certification. (Filed herewith.)
32.1	Section 1350 Certification. (Furnished herewith.)
99.1	Registration Rights Agreement, dated as of February 27, 2020, between Sonesta Holdco Corporation and, the Company and SVC Holdings LLC. (Filed herewith.)
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document. (Filed herewith.)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. (Filed herewith.)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. (Filed herewith.)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. (Filed herewith.)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. (Filed herewith.)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SERVICE PROPERTIES TRUST

/s/ John G. Murray

John G. Murray

President and Chief Executive Officer

Dated: May 11, 2020

/s/ Brian E. Donley

Brian E. Donley

Chief Financial Officer and Treasurer

(Principal Financial and Accounting Officer)

Dated: May 11, 2020

SERVICE PROPERTIES TRUST

FORM OF [AMENDED AND RESTATED]¹ INDEMNIFICATION AGREEMENT

THIS [AMENDED AND RESTATED] INDEMNIFICATION AGREEMENT (this “*Agreement*”), effective as of [DATE] (the “*Effective Date*”), by and between Service Properties Trust, a Maryland real estate investment trust (the “*Company*”), and [TRUSTEE/OFFICER] (“*Indemnitee*”).

WHEREAS, Indemnitee currently serves as a trustee and/or officer of the Company and may, in connection therewith, be subjected to claims, suits or proceedings arising from such service; and

WHEREAS, as an inducement to Indemnitee to continue to serve as such, the Company has agreed to indemnify and to advance expenses and costs incurred by Indemnitee in connection with any such claims, suits or proceedings, to the maximum extent permitted by law as hereinafter provided; and

WHEREAS, the parties [are currently parties to an Indemnification Agreement dated as of [DATE] (the “*Prior Indemnification Agreement*”) and] desire to [amend and restate the Prior Indemnification Agreement and] set forth their agreement regarding indemnification and advancement of expenses [as reflected herein];

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions. For purposes of this Agreement:

(a) “*Board*” means the board of trustees of the Company.
 (b) “*Bylaws*” means the bylaws of the Company, as they may be amended from time to time.
 (c) “*Change in Control*” means a change in control of the Company occurring after the Effective Date of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended (the “*Act*”), whether or not the Company is then subject to such reporting requirement; *provided, however*, that, without limitation, such a Change in Control shall be deemed to have occurred if after the Effective Date:

(i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Act) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 10% or more of the combined voting power of all the Company’s then outstanding securities entitled to vote generally in the election of trustees without the prior approval of at least two-thirds of the members of the Board in office immediately prior to such person attaining such percentage interest;

(ii) there occurs a proxy contest, or the Company is a party to a merger, consolidation, sale of assets, plan of liquidation or other reorganization not approved by at least two-thirds of the members of the Board then in office, as a consequence of which members of the Board in office immediately prior to such transaction or event constitute less than a majority of the Board thereafter; or

(1) Bracketed text to be included for trustees and officers with existing agreements. Bracketed text would not be included for persons who are first elected as a trustee or appointed as an officer after this form is adopted.

(iii) during any period of two consecutive years, other than as a result of an event described in clause (c)(ii) of this Section 1, individuals who at the beginning of such period constituted the Board (including for this purpose any new trustee whose election or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the trustees then still in office who were trustees at the beginning of such period) cease for any reason to constitute at least a majority of the Board.

(d) **"Company Status"** means the status of a Person who is or was a trustee, director, manager, officer, partner, employee, agent or fiduciary of the Company or any predecessor of the Company or any of their majority owned subsidiaries and the status of a Person who, while a trustee, director, manager, officer, partner, employee, agent or fiduciary of the Company or any predecessor of the Company or any of their majority owned subsidiaries, is or was serving at the request of the Company or any predecessor of the Company or any of their majority owned subsidiaries as a trustee, director, manager, officer, partner, employee, agent or fiduciary of another real estate investment trust, corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or any other Enterprise.

(e) **"control"** of an entity, shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities, by contract or otherwise.

(f) **"Declaration of Trust"** means the declaration of trust (as defined in the Maryland REIT Law) of the Company, as it may be in effect from time to time.

(g) **"Disinterested Trustee"** means a trustee of the Company who is not and was not a party to the Proceeding in respect of which indemnification or advance of Expenses is sought by Indemnitee.

(h) **"Enterprise"** shall mean the Company and any other real estate investment trust, corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express written request of the Company as a trustee, director, manager, officer, partner, employee, agent or fiduciary.

(i) **"Expenses"** means all expenses, including, but not limited to, all attorneys' fees and costs, retainers, court or arbitration costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond or other appeal bond or its equivalent.

(j) **"Independent Counsel"** means a law firm, or a member of a law firm, selected by the Company and acceptable to Indemnitee, that is experienced in matters of business law. If, within twenty (20) days after submission by Indemnitee of a written demand for indemnification pursuant to Section 7(a) hereof, no Independent Counsel shall have been selected and agreed to by Indemnitee, either the Company or Indemnitee may petition a Chosen Court (as defined in Section 18) for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person so appointed shall act as Independent Counsel hereunder.

(k) “**MGCL**” means the Maryland General Corporation Law.

(l) “**Maryland REIT Law**” means Title 8 of the Corporations and Associations Article of the Annotated Code of Maryland.

(m) “**Person**” means an individual, a corporation, a general or limited partnership, an association, a limited liability company, a governmental entity, a trust, a joint venture, a joint stock company or another entity or organization.

(n) “**Proceeding**” means any threatened, pending or completed claim, demand, action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative (including on appeal), whether or not by or in the right of the Company, except one initiated by an Indemnatee pursuant to Section 9.

Section 2. Indemnification - General. The Company shall indemnify, and advance Expenses to, Indemnatee (a) as provided in this Agreement and (b) otherwise to the maximum extent permitted by Maryland law in effect on the Effective Date and as amended from time to time; *provided, however*, that no change in Maryland law shall have the effect of reducing the benefits available to Indemnatee hereunder based on Maryland law as in effect on the Effective Date. The rights of Indemnatee provided in this Section 2 shall include, without limitation, the rights set forth in the other sections of this Agreement, including any additional indemnification permitted by Section 2-418(g) of the MGCL, as applicable to a Maryland real estate investment trust by virtue of Section 8-301(15) of the Maryland REIT Law, the Declaration of Trust or the Bylaws.

Section 3. Proceedings Other Than Derivative Proceedings by or in the Right of the Company. Indemnatee shall be entitled to the rights of indemnification provided in this Section 3 if, by reason of Indemnatee’s Company Status, Indemnatee is, or is threatened to be, made a party to any Proceeding, other than a derivative Proceeding by or in the right of the Company (or, if applicable, such other Enterprise at which Indemnatee is or was serving at the request of the Company or a predecessor of the Company or any of their majority owned subsidiaries). Pursuant to this Section 3, Indemnatee shall be indemnified against all judgments, penalties, fines and amounts paid in settlement and all Expenses incurred by Indemnatee or on Indemnatee’s behalf in connection with a Proceeding by reason of Indemnatee’s Company Status unless it is finally determined that such indemnification is not permitted by the MGCL, the Declaration of Trust or the Bylaws.

Section 4. Derivative Proceedings by or in the Right of the Company. Indemnatee shall be entitled to the rights of indemnification provided in this Section 4 if, by reason of Indemnatee’s Company Status, Indemnatee is, or is threatened to be, made a party to any derivative Proceeding brought by or in the right of the Company (or, if applicable, such other Enterprise at which Indemnatee is or was serving at the request of the Company or a predecessor of the Company or any of their majority owned subsidiaries). Pursuant to this Section 4, Indemnatee shall be indemnified against all judgments, penalties, fines and amounts paid in settlement and all Expenses incurred by Indemnatee or on Indemnatee’s behalf in connection with such Proceeding unless it is finally determined that such indemnification is not permitted by the MGCL, the Declaration of Trust or the Bylaws.

Section 5. Indemnification for Expenses of a Party Who is Partly Successful. Without limitation on Section 3 or Section 4, if Indemnatee is not wholly successful in any Proceeding covered by this Agreement, but is successful, on the merits or otherwise, as to one or more but less than all claims,

issues or matters in such Proceeding, the Company shall indemnify Indemnatee under this Section 5 for all Expenses incurred by Indemnatee or on Indemnatee's behalf in connection with each successfully resolved claim, issue or matter, allocated on a reasonable and proportionate basis. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Advancement of Expenses. The Company, without requiring a preliminary determination of Indemnatee's ultimate entitlement to indemnification hereunder, shall advance all Expenses incurred by or on behalf of Indemnatee in connection with any Proceeding in which Indemnatee may be involved, or is threatened to be involved, including as a party, a witness or otherwise, by reason of Indemnatee's Company Status, within ten (10) days after the receipt by the Company of a statement or statements from Indemnatee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnatee and shall be preceded or accompanied by a written affirmation by Indemnatee of Indemnatee's good faith belief that the standard of conduct necessary for indemnification by the Company as authorized by the MGCL, the Declaration of Trust and the Bylaws has been met and a written undertaking by or on behalf of Indemnatee, in substantially the form of Exhibit A hereto or in such other form as may be required under applicable law as in effect at the time of the execution thereof, to reimburse the portion of any Expenses advanced to Indemnatee relating to any claims, issues or matters in the Proceeding as to which it shall be finally determined that the standard of conduct has not been met and which have not been successfully resolved as described in Section 5. For the avoidance of doubt, the Company shall advance Expenses incurred by Indemnatee or on Indemnatee's behalf in connection with such a Proceeding pursuant to this Section 6 until it is finally determined that Indemnatee is not entitled to indemnification under the MGCL, the Declaration of Trust or the Bylaws in respect of such Proceeding. To the extent that Expenses advanced to Indemnatee do not relate to a specific claim, issue or matter in the Proceeding, such Expenses shall be allocated on a reasonable and proportionate basis. The undertaking required by this Section 6 shall be an unlimited general obligation by or on behalf of Indemnatee and shall be accepted without reference to Indemnatee's financial ability to repay such advanced Expenses and without any requirement to post security therefor. At Indemnatee's request, advancement of any such Expense shall be made by the Company's direct payment of such Expense instead of reimbursement of Indemnatee's payment of such Expense.

Section 7. Procedure for Determination of Entitlement to Indemnification.

(a) To obtain indemnification under this Agreement, Indemnatee shall submit to the Company a written demand therefor. The Secretary of the Company shall, promptly upon receipt of such a demand for indemnification, provide copies of the demand to the Board.

(b) Upon written request by Indemnatee for indemnification pursuant to the first sentence of Section 7(a), a determination, if required by applicable law, with respect to Indemnatee's entitlement thereto shall promptly be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnatee; or (ii) if a Change in Control shall not have occurred or if, after a Change in Control, Indemnatee shall so request, (A) by the Board (or a duly authorized committee thereof) by a majority vote of a quorum consisting of Disinterested Trustees, or (B) if a quorum of the Board consisting of Disinterested Trustees is not obtainable or, even if obtainable, such quorum of Disinterested Trustees so directs, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnatee, or (C) if so directed by a majority of the members of the Board, by the shareholders of the Company; and, if it is so determined that Indemnatee is entitled to indemnification, payment to Indemnatee shall be made within ten (10) days after such determination. Any Independent Counsel, member of the

Board or shareholder of the Company shall act reasonably and in good faith in making a determination regarding Indemnitee's entitlement to indemnification under this Agreement.

(c) The Company shall pay the fees and expenses of Independent Counsel, if one is appointed, and shall agree to fully indemnify such Independent Counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or the Independent Counsel's engagement as such pursuant hereto.

Section 8. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the Person or Persons making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(b) It shall be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Without limitation of the foregoing, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge or actions, or failure to act, of any trustee, director, manager, officer, partner, employee, agent or fiduciary of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

(c) Neither the failure to make a determination pursuant to Section 7(b) as to whether indemnification is proper in the circumstances because Indemnitee has met any particular standard of conduct, nor an actual determination by the Company (including by the Board or Independent Counsel) pursuant to Section 7(b) that Indemnitee has not met such standard of conduct, shall be a defense to Indemnitee's claim that indemnification is proper in the circumstances or create a presumption that Indemnitee has not met any particular standard of conduct.

(d) The termination of any Proceeding by judgment, order, settlement, conviction, a plea of *nolo contendere* or its equivalent, or an entry of an order of probation prior to judgment, shall not in and of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not meet the standard of conduct required for indemnification. The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any Proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration), it shall be presumed that Indemnitee has been successful on the merits or otherwise in such Proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

Section 9. Remedies of Indemnitee.

(a) If (i) a determination is made pursuant to Section 7(b) that Indemnitee is not entitled to indemnification under this Agreement, (ii) advance of Expenses is not timely made pursuant to Section 6, (iii) no determination of entitlement to indemnification shall have been made pursuant to

Section 7(b) within thirty (30) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5 within ten (10) days after receipt by the Company of a written request therefor, or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnatee is entitled to indemnification, Indemnatee shall (A) unless the Company demands arbitration as provided by Section 17, be entitled to an adjudication in a Chosen Court or (B) be entitled to seek an award in arbitration as provided by Section 17, in each case of Indemnatee's entitlement to such indemnification or advance of Expenses.

(b) In any judicial proceeding or arbitration commenced pursuant to this Section 9, the Company shall have the burden of proving that Indemnatee is not entitled to indemnification or advance of Expenses, as the case may be. In the event that a determination shall have been made pursuant to Section 7(b) that Indemnatee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 9 shall be conducted in all respects as a de novo trial on the merits, and Indemnatee shall not be prejudiced by reason of the adverse determination under Section 7(b).

(c) If a determination shall have been made pursuant to Section 7(b) that Indemnatee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 9, absent a misstatement by Indemnatee of a material fact, or an omission of a material fact necessary to make Indemnatee's statement not materially misleading, in connection with the demand for indemnification.

(d) In the event that Indemnatee, pursuant to this Section 9, seeks a judicial adjudication of or an award in arbitration as provided by Section 17 to enforce Indemnatee's rights under, or to recover damages for breach of, this Agreement by the Company, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall indemnify Indemnatee against any and all Expenses incurred by Indemnatee in such judicial adjudication or arbitration and, if requested by Indemnatee, the Company shall (within ten (10) days after receipt by the Company of a written demand therefor) advance, to the extent not prohibited by law, the Declaration of Trust or the Bylaws, any and all such Expenses.

(e) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 9 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such judicial proceeding or arbitration that the Company is bound by all the provisions of this Agreement.

(f) To the extent requested by Indemnatee and approved by the Board, the Company may at any time and from time to time provide security to Indemnatee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnatee, may not be revoked or released without the prior written consent of Indemnatee.

(g) Interest shall be paid by the Company to Indemnatee at the maximum rate allowed to be charged for judgments under the Courts and Judicial Proceedings Article of the Annotated Code of Maryland for amounts which the Company pays or is obligated to pay for the period (i) commencing with either the tenth (10th) day after the date on which the Company was requested to advance Expenses in accordance with Section 6 of this Agreement or the thirtieth (30th) day after the date on which the Company was requested to make the determination of entitlement to indemnification under Section 7(b) of this Agreement, as applicable, and (ii) ending on the date such payment is made to Indemnatee by the Company.

Section 10. Defense of the Underlying Proceeding.

(a) Indemnatee shall notify the Company promptly upon being served with or receiving any summons, citation, subpoena, complaint, indictment, information, notice, request or other document relating to any Proceeding which may result in the right to indemnification or the advance of Expenses hereunder; *provided, however*, that the failure to give any such notice shall not disqualify Indemnatee from the right, or otherwise affect in any manner any right of Indemnatee, to indemnification or the advance of Expenses under this Agreement unless the Company's ability to defend in such Proceeding or to obtain proceeds under any insurance policy is materially and adversely prejudiced thereby, and then only to the extent the Company is thereby actually so prejudiced.

(b) Subject to the provisions of the last sentence of this Section 10(b) and of Section 10(c) below, the Company shall have the right to defend Indemnatee in any Proceeding which may give rise to indemnification hereunder; *provided, however*, that the Company shall notify Indemnatee of any such decision to defend within fifteen (15) days following receipt of notice of any such Proceeding under Section 10(a) above, and the counsel selected by the Company shall be reasonably satisfactory to Indemnatee. The Company shall not, without the prior written consent of Indemnatee, consent to the entry of any judgment against Indemnatee or enter into any settlement or compromise which (i) includes an admission of fault of Indemnatee, (ii) does not include, as an unconditional term thereof, the full release of Indemnatee from all liability in respect of such Proceeding, which release shall be in form and substance reasonably satisfactory to Indemnatee or (iii) has the actual or purported effect of extinguishing, limiting or impairing Indemnatee's rights hereunder. This Section 10(b) shall not apply to a Proceeding brought by Indemnatee under Section 9 above or Section 15.

(c) Notwithstanding the provisions of Section 10(b), if in a Proceeding to which Indemnatee is a party by reason of Indemnatee's Company Status, (i) Indemnatee reasonably concludes, based upon an opinion of counsel approved by the Company, which approval shall not be unreasonably withheld, that Indemnatee may have separate defenses or counterclaims to assert with respect to any issue which may not be consistent with other defendants in such Proceeding, (ii) Indemnatee reasonably concludes, based upon an opinion of counsel approved by the Company, which approval shall not be unreasonably withheld, that an actual or apparent conflict of interest or potential conflict of interest exists between Indemnatee and the Company, or (iii) the Company fails to assume the defense of such Proceeding in a timely manner, Indemnatee shall be entitled to be represented by separate legal counsel of Indemnatee's choice, subject to the prior approval of the Company, which shall not be unreasonably withheld, at the expense of the Company. In addition, if the Company fails to comply with any of its obligations under this Agreement or in the event that the Company or any other Person takes any action to declare this Agreement void or unenforceable, or institutes any Proceeding to deny or to recover from Indemnatee the benefits intended to be provided to Indemnatee hereunder, Indemnatee shall have the right to retain counsel of Indemnatee's choice, at the expense of the Company (subject to Section 9(d)), to represent Indemnatee in connection with any such matter.

Section 11. Liability Insurance.

(a) To the extent the Company maintains an insurance policy or policies providing liability insurance for any of its trustees or officers, Indemnatee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company trustee or officer during Indemnatee's tenure as a trustee or officer and, following a termination of Indemnatee's service in connection with a Change in Control, for a period of six (6) years thereafter.

(b) If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect, the Company shall give

prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnatee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment by the Company under this Agreement the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnatee with respect to any insurance policy. Indemnatee shall take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights in accordance with the terms of such insurance policy. The Company shall pay or reimburse all expenses actually and reasonably incurred by Indemnatee in connection with such subrogation.

Section 12. Non-Exclusivity; Survival of Rights.

(a) The rights of indemnification and advance of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnatee may at any time be entitled under applicable law, the Declaration of Trust or the Bylaws, any agreement or a resolution of the shareholders entitled to vote generally in the election of trustees or of the Board, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnatee under this Agreement in respect of any action taken or omitted by Indemnatee in Indemnatee's Company Status prior to such amendment, alteration or repeal. To the extent that a change in the Maryland REIT Law or the MGCL permits greater indemnification to Indemnatee than would be afforded currently under the Maryland REIT Law or the MGCL, it is the intent of the parties hereto that Indemnatee shall enjoy by this Agreement the greater benefits so afforded by such change if permitted by the Maryland REIT Law or the MGCL. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable or payable or reimbursable as Expenses hereunder if and to the extent that Indemnatee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

Section 13. Binding Effect.

(a) The indemnification and advance of Expenses provided by, or granted pursuant to, this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnatee who has ceased to be a trustee, director, manager, officer, partner, employee, agent or fiduciary of the Company or a trustee, director, manager, officer, partner, employee, agent or fiduciary of another Enterprise which such Person is or was serving at the request of the Company or a predecessor of the Company or any of their majority owned subsidiaries, and shall inure to the benefit of Indemnatee and Indemnatee's spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(b) Any successor of the Company (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part of, the business or assets of the Company shall be automatically deemed to have assumed and agreed to perform this Agreement in

the same manner and to the same extent that the Company would be required to perform if no such succession had taken place, provided that no such assumption shall relieve the Company of its obligations hereunder. To the extent required by applicable law to give effect to the foregoing sentence and to the extent requested by Indemnitee, the Company shall require and cause any such successor to expressly assume and agree to perform this Agreement by written agreement in form and substance satisfactory to Indemnitee.

Section 14. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 15. Limitation and Exception to Right of Indemnification or Advance of Expenses. Notwithstanding any other provision of this Agreement, (a) any indemnification or advance of Expenses to which Indemnitee is otherwise entitled under the terms of this Agreement shall be made only to the extent such indemnification or advance of Expenses does not conflict with applicable Maryland law and (b) Indemnitee shall not be entitled to indemnification or advance of Expenses under this Agreement with respect to any Proceeding brought by Indemnitee, unless (i) the Proceeding is brought to enforce rights under this Agreement, the Declaration of Trust, the Bylaws, liability insurance policy or policies, if any, or otherwise or (ii) the Declaration of Trust, the Bylaws, a resolution of the shareholders entitled to vote generally in the election of trustees or of the Board or an agreement approved by the Board to which the Company is a party expressly provides otherwise. Notwithstanding any other provision of this Agreement, a court of appropriate jurisdiction, upon application of Indemnitee and such notice as the court shall require, may order indemnification of Indemnitee by the Company in the following circumstances: (a) if such court determines that Indemnitee is entitled to reimbursement under Section 2-418(d)(1) of the MGCL, the court shall order indemnification, in which case Indemnitee shall be entitled to recover the Expenses of securing such reimbursement; or (b) if such court determines that Indemnitee is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not Indemnitee (i) has met the standard of conduct set forth in Section 2-418(b) of the MGCL or (ii) has been adjudged liable for receipt of an improper personal benefit under Section 2-418(c) of the MGCL, the court may order such indemnification as the court shall deem proper without regard to any limitation on such court-ordered indemnification contemplated by Section 2-418(d)(2)(ii) of the MGCL.

Section 16. Specific Performance, Etc. The parties hereto recognize that if any provision of this Agreement is violated by the Company, Indemnitee may be without an adequate remedy at law. Accordingly, in the event of any such violation, Indemnitee shall be entitled, if Indemnitee so elects, to institute proceedings, either in law or at equity, to obtain damages, to enforce specific performance, to enjoin such violation, or to obtain any relief or any combination of the foregoing as Indemnitee may elect to pursue.

Section 17. Arbitration.

(a) Any disputes, claims or controversies regarding Indemnitee's entitlement to indemnification or advancement of Expenses hereunder or otherwise arising out of or relating to this Agreement, including any disputes, claims or controversies brought by or on behalf of a party hereto or any holder of equity interests (which, for purposes of this Section 17, shall mean any holder of record or

any beneficial owner of equity interests or any former holder of record or beneficial owner of equity interests) of a party, either on his, her or its own behalf, on behalf of a party or on behalf of any series or class of equity interests of a party or holders of equity interests of a party against a party or any of their respective trustees, directors, members, officers, managers, agents or employees, including any disputes, claims or controversies relating to the meaning, interpretation, effect, validity, performance or enforcement of this Agreement, including this Section 17 or the governing documents of a party (all of which are referred to as “**Disputes**”), or relating in any way to such a Dispute or Disputes, shall, on the demand of any party to such Dispute or Disputes, be resolved through binding and final arbitration in accordance with the Commercial Arbitration Rules (the “**Rules**”) of the American Arbitration Association (“**AAA**”) then in effect, except as those Rules may be modified in this Section 17. For the avoidance of doubt, and not as a limitation, Disputes are intended to include derivative actions against the trustees, directors, officers or managers of a party and class actions by a holder of equity interests against those individuals or entities and a party. For the avoidance of doubt, a Dispute shall include a Dispute made derivatively on behalf of one party against another party. For purposes of this Section 17, the term “equity interest” shall mean (i) in respect of the Company, shares of beneficial interest of the Company, (ii) shares of “membership interests” in an entity that is a limited liability company, (iii) general partnership interests in an entity that is a partnership, (iv) shares of capital stock of an entity that is a corporation and (v) similar equity ownership interests in other entities.

(b) There shall be three (3) arbitrators. If there are only two (2) parties to the Dispute, each party shall select one (1) arbitrator within fifteen (15) days after receipt by respondent of a copy of the demand for arbitration. The arbitrators may be affiliated or interested persons of the parties. If there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, shall select, by the vote of a majority of the claimants or the respondents, as the case may be, one (1) arbitrator within fifteen (15) days after receipt of the demand for arbitration. The arbitrators may be affiliated or interested persons of the claimants or the respondents, as the case may be. If either a claimant (or all claimants) or a respondent (or all respondents) fail(s) to timely select an arbitrator then the party (or parties) who has selected an arbitrator may request AAA to provide a list of three (3) proposed arbitrators in accordance with the Rules (each of whom shall be neutral, impartial and unaffiliated with any party) and the party (or parties) that failed to timely appoint an arbitrator shall have ten (10) days from the date AAA provides the list to select one (1) of the three (3) arbitrators proposed by AAA. If the party (or parties) fail(s) to select the second (2nd) arbitrator by that time, the party (or parties) who have appointed the first (1st) arbitrator shall then have ten (10) days to select one (1) of the three (3) arbitrators proposed by AAA to be the second (2nd) arbitrator; and, if he/they should fail to select the second (2nd) arbitrator by such time, AAA shall select, within fifteen (15) days thereafter, one (1) of the three (3) arbitrators it had proposed as the second (2nd) arbitrator. The two (2) arbitrators so appointed shall jointly appoint the third (3rd) and presiding arbitrator (who shall be neutral, impartial and unaffiliated with any party) within fifteen (15) days of the appointment of the second (2nd) arbitrator. If the third (3rd) arbitrator has not been appointed within the time limit specified herein, then AAA shall provide a list of proposed arbitrators in accordance with the Rules, and the arbitrator shall be appointed by AAA in accordance with a listing, striking and ranking procedure, with each party having a limited number of strikes, excluding strikes for cause.

(c) The place of arbitration shall be Boston, Massachusetts unless otherwise agreed by the parties.

(d) There shall be only limited documentary discovery of documents directly related to the issues in dispute, as may be ordered by the arbitrators. For the avoidance of doubt, it is intended that there shall be no depositions and no other discovery other than limited documentary discovery as described in the preceding sentence.

(e) In rendering an award or decision (an “**Award**”), the arbitrators shall be required to follow the laws of the State of Maryland without regard to principles of conflicts of law. Any arbitration proceedings or award rendered hereunder and the validity, effect and interpretation of this arbitration agreement shall be governed by the Federal Arbitration Act, 9 U.S.C. §1 et seq. An Award shall be in writing and shall state the findings of fact and conclusions of law on which it is based. Any monetary Award shall be made and payable in U.S. dollars free of any tax, deduction or offset. Subject to Section 17(g), each party against which an Award assesses a monetary obligation shall pay that obligation on or before the thirtieth (30th) day following the date of such Award or such other date as the Award may provide.

(f) Except to the extent expressly provided by this Agreement or as otherwise agreed by the parties hereto, each party and each Person acting or seeking to act in a representative capacity (such Person, a “**Named Representative**”) involved in a Dispute shall bear its own costs and expenses (including attorneys’ fees), and the arbitrators shall not render an Award that would include shifting of any such costs or expenses (including attorneys’ fees) or, in a derivative case or class action, award any portion of a party’s award to its attorneys, a Named Representative or any attorney of a Named Representative. Each party (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, respectively) shall bear the costs and expenses of its (or their) selected arbitrator and the parties (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand) shall equally bear the costs and expenses of the third (3rd) appointed arbitrator.

(g) Notwithstanding any language to the contrary in this Agreement, an Award, including but not limited to any interim Award, may be appealed pursuant to the AAA’s Optional Appellate Arbitration Rules (the “**Appellate Rules**”). An Award shall not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty (30) days of receipt of an Award by filing a notice of appeal with any AAA office. Following the appeal process, the decision rendered by the appeal tribunal may be entered in any court having jurisdiction thereof. For the avoidance of doubt, and despite any contrary provision of the Appellate Rules, Section 17(f) shall apply to any appeal pursuant to this Section 17 and the appeal tribunal shall not render an Award that would include shifting of any costs or expenses (including attorneys’ fees) of any party or Named Representative or the payment of such costs and expenses, and all costs and expenses of a party or Named Representative shall be its sole responsibility.

(h) Following the expiration of the time for filing the notice of appeal, or the conclusion of the appeal process set forth in Section 17(g), an Award shall be final and binding upon the parties thereto and shall be the sole and exclusive remedy between those parties relating to the Dispute, including any claims, counterclaims, issues or accounting presented to the arbitrators. Judgment upon an Award may be entered in any court having jurisdiction. To the fullest extent permitted by law, no application or appeal to any court of competent jurisdiction may be made in connection with any question of law arising in the course of arbitration or with respect to any award made except for actions relating to enforcement of this agreement to arbitrate or any arbitral award issued hereunder and except for actions seeking interim or other provisional relief in aid of arbitration proceedings in any court of competent jurisdiction.

(i) This Section 17 is intended to benefit and be enforceable by the parties hereto and their respective holders of equity interests, trustees, directors, officers, managers, agents or employees, and their respective successors and assigns, and shall be binding upon all such parties and their respective holders of equity interests, and be in addition to, and not in substitution for, any other

rights to indemnification or contribution that such individuals or entities may have by contract or otherwise.

Section 18. Venue. Each party hereto agrees that it shall bring any Proceeding in respect of any claim arising out of or related to this Agreement exclusively in the courts of the State of Maryland and the Federal courts of the United States, in each case, located in the City of Baltimore (the “***Chosen Courts***”). Solely in connection with claims arising under this Agreement, each party irrevocably and unconditionally (i) submits to the exclusive jurisdiction of the Chosen Courts, (ii) agrees not to commence any such Proceeding except in such courts, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such Proceeding in the Chosen Courts, (iv) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such Proceeding, (v) agrees that service of process upon such party in any such Proceeding shall be effective if notice is given in accordance with Section 24 and (vi) agrees to request and/or consent to the assignment of any dispute arising out of this Agreement or the transactions contemplated by this Agreement to the Chosen Courts’ Business and Technology Case Management Program, or similar program. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by law. A final judgment in any such Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS. Notwithstanding anything herein to the contrary, if a demand for arbitration of a Dispute is made pursuant to Section 17, this Section 18 shall not preempt resolution of the Dispute pursuant to Section 17.

Section 19. Adverse Settlement. The Company shall not seek, nor shall it agree to or support, or agree not to contest any settlement or other resolution of any matter that has the actual or purported effect of extinguishing, limiting or impairing Indemnatee’s rights hereunder, including without limitation the entry of any bar order or other order, decree or stipulation, pursuant to 15 U.S.C. § 78u-4 (the Private Securities Litigation Reform Act), or any similar foreign, federal or state statute, regulation, rule or law.

Section 20. Period of Limitations. To the fullest extent permitted by law, no legal action shall be brought, and no cause of action shall be asserted, by or on behalf of the Company or any controlled affiliate of the Company against Indemnatee, Indemnatee’s spouse, heirs, executors or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its controlled affiliate shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period; *provided, however*, if any shorter period of limitations is otherwise applicable to any such cause of action, such shorter period shall govern.

Section 21. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties hereto and delivered to the other party (including via facsimile or other electronic transmission), it being understood that each party hereto need not sign the same counterpart.

Section 22. Delivery by Electronic Transmission. This Agreement and any signed agreement or instrument entered into in connection with this Agreement or contemplated hereby, and any amendments hereto or thereto, to the extent signed and delivered by means of an electronic transmission, including by a facsimile machine or via email, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or

instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to the other parties. No party hereto or to any such agreement or instrument shall raise the use of electronic transmission by a facsimile machine or via email to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through electronic transmission as a defense to the formation of a contract and each such party forever waives any such defense.

Section 23. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed to, or shall, constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

Section 24. Notices. Any notice, report or other communication required or permitted to be given hereunder shall be in writing unless some other method of giving such notice, report or other communication is accepted by the party to whom it is given, and shall be given by being delivered at the following addresses to the parties hereto:

(a) If to Indemnitee, to: The address set forth on the signature page hereto.

(b) If to the Company to:

Service Properties Trust

Two Newton Place

255 Washington Street, Suite 300

Newton, Massachusetts 02458-1634

Attn: Secretary

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

Section 25. Governing Law. The provisions of this Agreement and any Dispute, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the State of Maryland without regard to its conflicts of laws rules.

Section 26. Interpretation.

(a) *Generally.* Unless the context otherwise requires, as used in this Agreement: (a) words defined in the singular have the parallel meaning in the plural and vice versa; (b) "Articles," "Sections," and "Exhibits" refer to Articles, Sections and Exhibits of this Agreement unless otherwise specified; and (c) "hereto" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(b) *Additional Interpretive Provisions.* The headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. Any capitalized term used in any Exhibit to this Agreement, but not otherwise defined therein, shall have the meaning as defined in this Agreement. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder and any successor statute or statutory provision. References to any agreement are to that agreement as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References

to any Person include the successors and permitted assigns of that Person. Reference to any agreement, document or instrument means the agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof.

(c) *[Expansion of Indemnification.* This amendment and restatement of the Prior Indemnification Agreement is intended to expand, and not to limit, the scope of indemnification provided to Indemnatee under the Prior Indemnification Agreement, and this Agreement shall be interpreted consistent with such intent.]

[Signature Page Follows]

[Signature Page to [Amended and Restated] Indemnification Agreement]

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Agreement as of the date first written above.

SERVICE PROPERTIES TRUST

By: _____
Name:
Title:

[INDEMNITEE]

Indemnatee's Address:

[]

EXHIBIT A

FORM OF AFFIRMATION AND

UNDERTAKING TO REPAY EXPENSES ADVANCED

To the Board of Trustees of Service Properties Trust:

This affirmation and undertaking is being provided pursuant to that certain [Amended and Restated] Indemnification Agreement dated _____, 20____ (the “**Indemnification Agreement**”), by and between Service Properties Trust, a Maryland real estate investment trust (the “**Company**”), and the undersigned Indemnatee, pursuant to which Indemnatee is entitled to advancement of expenses in connection with [Description of Claims/Proceeding] (together, the “**Claims**”). Terms used, and not otherwise defined, herein shall have the meanings specified in the Indemnification Agreement.

Indemnatee is subject to the Claims by reason of Indemnatee’s Company Status or by reason of alleged actions or omissions by Indemnatee in such capacity.

Indemnatee hereby affirms Indemnatee’s good faith belief that the standard of conduct necessary for Indemnatee’s indemnification has been met.

In consideration of the advancement of Expenses by the Company for attorneys’ fees and related expenses incurred by Indemnatee in connection with the Claims (the “**Advanced Expenses**”), Indemnatee hereby agrees that if, in connection with a proceeding regarding the Claim, it is ultimately determined that Indemnatee is not entitled to indemnification under law, the Declaration of Trust, the Bylaws or the Indemnification Agreement with respect to an act or omission by Indemnatee, then Indemnatee shall promptly reimburse the portion of the Advanced Expenses relating to the Claim(s) as to which the foregoing findings have been established and which have not been successfully resolved as described in Section 5 of the Indemnification Agreement. To the extent that Advanced Expenses do not relate to specific Claims, Indemnatee agrees that such Advanced Expenses may be allocated on a reasonable and proportionate basis.

IN WITNESS WHEREOF, the undersigned Indemnatee has executed this Affirmation and Undertaking to Repay Expenses Advanced on _____, _____.

WITNESS:

Print name of witness

Print name of Indemnatee

Schedule to Exhibit 10.1

The following trustees and executive officers of Service Properties Trust, or SVC, are parties to Indemnification Agreements with SVC which are substantially identical in all material respects to the representative Indemnification Agreement filed herewith and are dated as of the respective dates listed below. The other Indemnification Agreements are omitted pursuant to Instruction 2 to Item 601 of Regulation S-K.

Name of Signatory	Date
Todd W. Hargreaves	March 2, 2020
Laurie B. Burns	February 27, 2020
Robert E. Cramer	February 27, 2020
Brian E. Donley	January 1, 2019
Ethan S. Bornstein	June 14, 2018
Donna D. Fraiche	June 14, 2018
John L. Harrington	June 14, 2018
Mark L. Kleifges	June 14, 2018
William A. Lamkin	June 14, 2018
John G. Murray	June 14, 2018
Adam D. Portnoy	June 14, 2018

SECOND AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT

This SECOND AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this “Amendment”) dated as of May 8, 2020, by and among SERVICE PROPERTIES TRUST (f/k/a HOSPITALITY PROPERTIES TRUST), a real estate investment trust formed under the laws of the State of Maryland (the “Borrower”), each of the financial institutions party hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent (the “Administrative Agent”).

WHEREAS, the Borrower, the Lenders, the Administrative Agent and certain other parties have entered into that certain Second Amended and Restated Credit Agreement dated as of May 10, 2018 (as amended by that certain First Amendment to Second Amended and Restated Credit Agreement, dated as of September 17, 2019, and as further amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the “Credit Agreement”); and

WHEREAS, as permitted by Section 12.6. of the Credit Agreement, the parties hereto desire to amend the Credit Agreement subject to the terms and conditions of this Amendment (the Credit Agreement as so amended, the “Amended Credit Agreement”);

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto hereby agree as follows:

Section 1. Amendments to Credit Agreement. Subject to the conditions precedent set forth in Section 2 below, as of the Second Amendment Effective Date:

(a) the Credit Agreement is hereby amended to delete the red font stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the blue font double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Exhibit A attached hereto such that, immediately after giving effect to this Amendment, the Amended Credit Agreement will read as set forth in Exhibit A.

(b) a new Exhibit M to the Credit agreement, attached hereto as Exhibit B, is hereby added to the Credit Agreement as Exhibit M thereto.

Section 2. Conditions Precedent. The effectiveness of this Amendment is subject to (i) the truth and accuracy of the representations set forth in Section 3 below and (ii) receipt by the Administrative Agent of the following, each of which shall be in form and substance satisfactory to the Administrative Agent (the first date on which each of the conditions pursuant to the foregoing clauses (i) and (ii) shall have been satisfied, the “Second Amendment Effective Date”):

(a) a counterpart of this Amendment duly executed by the Borrower, the Administrative Agent and the Requisite Lenders;

(b) a certificate of the Borrower’s chief executive officer, chief legal officer, chief financial officer or chief accounting officer certifying as of the date hereof, and after giving effect to this Amendment and the other transactions contemplated hereby, that (i) no Default or Event of Default shall be in existence, (ii) the representations and warranties made or deemed made by the Borrower or any other Loan Party in the Amended Credit Agreement and any other Loan Document to which such Loan Party is a party shall be true and correct in all respects on the date hereof

except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all respects on and as of such earlier date) and except for changes in factual circumstances specifically and expressly permitted under the Credit Agreement, and (iii) the Collateral Value Percentage shall not exceed fifty percent (50%);

(c) a certificate of the Secretary or Assistant Secretary (or other individual performing similar functions) on behalf of each Loan Party dated the Second Amendment Effective Date, certifying (A) that attached thereto are true, correct and complete copies of (i) the certificate of incorporation or formation, certificate of limited partnership, declaration of trust or other comparable organizational instrument, as applicable, of such Loan Party certified as of a recent date by the Secretary of State of the state of organization of such Loan Party and (ii) the by-laws, operating agreement, partnership agreement, or other comparable governing document, as applicable, of such Loan Party, (B) that attached thereto is a true, correct and complete copy of a certificate as to the good standing of such Loan Party as of a recent date from the Secretary of State (or other applicable Governmental Authority) of its jurisdiction of organization, (C) that attached thereto is a true and complete copy of resolutions duly adopted by the board of directors (or board of members or equivalent governing body) of such Loan Party authorizing the execution, delivery and performance of this Amendment and the other Loan Documents to which such person is a party entered into in connection herewith, and that such resolutions have not been modified, rescinded or amended and are in full force and effect as of the date of such certificate, and (D) as to the signature and incumbency certificates of its officers executing this Amendment or any of the other Loan Documents or any other document delivered in connection herewith on behalf of such Loan Party (together with a certificate of another officer or authorized person as to the incumbency and specimen signature of the officer or authorized person executing the certificate pursuant to this clause (c)); *provided* that such certificate can certify that there have been no changes to such documents or items described in the foregoing clauses (A) or (D) since such documents or items were last delivered to the Administrative Agent on the Effective Date;

(d) a Pledge Agreement executed by each Pledgor in favor of the Administrative Agent;

(e) Uniform Commercial Code financing statements in proper form for filing naming each Pledgor as debtor thereunder;

(f) copies of Uniform Commercial Code search reports listing all effective financing statements filed against each Pledgor, with copies of such financing statements;

(g) an opinion of Sullivan & Worcester LLP, as counsel to the Borrower and the other Loan Parties, and an opinion of Saul Ewing Arnstein & Lehr LLP, as special Maryland counsel to the Borrower, in each case addressed to the Administrative Agent and the Lenders and covering such matters as the Administrative Agent may reasonably request;

(h) evidence that all fees, expenses and reimbursement amounts due and payable to the Administrative Agent and any of the Lenders in connection with this Amendment have been paid;

(i) all information requested by the Administrative Agent and each Lender in order to comply with applicable “know your customer” and Anti-Money Laundering Laws and regulations, including without limitation, the Patriot Act, in each case, at least five (5) Business Days prior to the Second Amendment Effective Date; and

(j) such other documents, agreements, instruments, certificates or other confirmations as the Administrative Agent may reasonably request.

Section 3. Representations and Warranties. The Borrower represents and warrants to the Administrative Agent and the Lenders that:

(a) Authorization. The Borrower has the right and power, and has taken all necessary action to authorize it, to execute and deliver this Amendment and to perform its obligations hereunder and under the Amended Credit Agreement in accordance with their respective terms. This Amendment has been duly executed and delivered by a duly authorized officer of the Borrower and each of this Amendment and the Amended Credit Agreement is a legal,

valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its respective terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability.

(b) Compliance with Laws, etc. The execution and delivery by the Borrower of this Amendment and the performance by the Borrower of this Amendment and the Amended Credit Agreement in accordance with their respective terms, do not and will not, by the passage of time, the giving of notice or otherwise: (i) require any Governmental Approval or violate any Applicable Law (including Environmental Laws) relating to the Borrower or any other Loan Party; (ii) conflict with, result in a breach of or constitute a default under the organizational documents of Borrower or any other Loan Party, or any indenture, agreement or other instrument to which the Borrower or any other Loan Party is a party or by which it or any of its respective properties may be bound; or (iii) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by the Borrower or any other Loan Party other than in favor of the Administrative Agent for its benefit and the benefit of the Lenders and the Issuing Banks.

(c) No Default. Immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

Section 4. Reaffirmation of Representations by Borrower. The Borrower hereby repeats and reaffirms all representations and warranties made by the Borrower and the other Loan Parties to the Administrative Agent and the Lenders in the Amended Credit Agreement and the other Loan Documents (in each case, giving effect to this Amendment) on and as of the date hereof with the same force and effect as if such representations and warranties were set forth in this Amendment in full.

Section 5. Certain References. Each reference to the Credit Agreement in any of the Loan Documents shall be deemed to be a reference to the Amended Credit Agreement. This Amendment is a Loan Document.

Section 6. Costs and Expenses. The Borrower shall reimburse the Administrative Agent for all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) incurred by the Administrative Agent in connection with the preparation, negotiation and execution of this Amendment and the other agreements and documents executed and delivered in connection herewith.

Section 7. Benefits. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

Section 8. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

Section 9. Effect. Except as expressly herein amended, the terms and conditions of the Credit Agreement and the other Loan Documents remain in full force and effect. The amendment contained herein shall be deemed to have prospective application only. The Amended Credit Agreement is hereby ratified and confirmed in all respects. Nothing in this Amendment shall limit, impair or constitute a waiver of the rights, powers or remedies available to the Administrative Agent or the Lenders under the Amended Credit Agreement or any other Loan Document.

Section 10. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and shall be binding upon all parties, their successors and assigns.

Section 11. Electronic Signatures. The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed by any Lender, Titled Agent, Issuing Bank or Swingline Lender (collectively, the "Lender Parties") in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which

shall be of the same legal effect, validity or enforceability as a manually executed signature of such Lender Party or the use of a paper-based recordkeeping system with respect to such Lender Party, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to agree to accept electronic signatures from any Lender Party in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it. Each of the undersigned hereby (i) agrees that, for all purposes, electronic images of this Amendment (including with respect to any of the Lender Parties' signature pages thereto) shall have the same legal effect, validity, admissibility into evidence and enforceability as any paper original, and (ii) waives any argument, defense or right to contest the validity, admissibility into evidence or enforceability of this Amendment based solely on the lack of paper original copies hereof, including with respect to any of the Lender Parties' signatures hereto.

Section 12. Definitions. All capitalized terms not otherwise defined herein are used herein with the respective definitions given them in the Amended Credit Agreement.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Second Amended and Restated Credit Agreement to be executed as of the date first above written.

SERVICE PROPERTIES TRUST

By: /s/ Brian E. Donley
Name: Brian E. Donley
Title: Chief Financial Officer and Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, as Issuing Bank
and as a Lender

By: /s/ Anand J. Jobanputra
Name: Anand J. Jobanputra
Title: Senior Vice President

Bank of America, N.A., as Issuing Bank, as Swingline Lender, and as a Lender

By: /s/ Kyle Pearson

Name: Kyle Pearson

Title: Vice President

PNC Bank, National Association, as Issuing Bank, as Swingline Lender, and as a Lender

By: /s/ Shari L. Reams-Henefer
Name: Shari L. Reams-Henefer
Title: Senior Vice President

Royal Bank of Canada, as Issuing Bank, as Swingline Lender, and as a Lender

By: /s/ Brian Gross

Name: Brian Gross

Title: Authorized Signatory

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: Wells Fargo Bank, National Association as a Lender

By: /s/ Anand J. Jobanputra

Name: Anand J. Jobanputra

Title: Senior Vice President

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Mega International Commercial Bank Co., Ltd. Los Angeles Branch, as a Lender

By: /s/ Yi-Ming Ko

Name: Yi-Ming Ko

Title: SVP & GM

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: Berkshire Bank, as a Lender

By: /s/ Clarke Cronin

Name: Clark Cronin

Title: SVP

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: Morgan Stanley Bank, N.A. as a Lender

By: /s/ Christopher Winthrop

Name: Christopher Winthrop

Title: Authorized Signatory

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: Mizuho Bank, LTD, as a Lender

By: /s/ Donna DeMagistris

Name: Donna DeMagistris

Title: Authorized Signatory

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: First Horizon Bank, as a Lender

By: /s/ Jean M. Brennan

Name: Jean M. Brennan

Title: Senior Vice President

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: Truist Bank, f/k/a Branch Banking and Trust Company, as a Lender

By: /s/ Karen Cadiente

Name: Karen Cadiente

Title: Assistant Vice President

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: Sumitomo Mitsui Banking Corporation, as a Lender

By: /s/ Michael Maguire

Name: Michael Maguire

Title: Managing Director

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: Bank Hapoalim, B.M., as a Lender

By: /s/ Louis Barone

Name: Louis Barone

Title: Senior Vice President

[If second signature block is necessary]

By: /s/ Marline Alexander

Name: Marline Alexander

Title: Senior Vice President

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: U.S. Bank National Association, as a Lender

By: /s/ Kimberly L. Feldman

Name: Kimberly L. Feldman

Title: Vice President

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: CITIBANK, N.A., as a Lender

By: /s/ Chris Albano

Name: Chris Albano

Title: Authorized Signatory

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: The Bank of East Asia, Limited, New York Branch, as a Lender

By: /s/ James Hua
Name: James Hua
Title: SVP

By: /s/ James Hua
Name: Kitty Sin
Title: SVP

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: BMO Harris Bank, N.A., as a Lender

By: /s/ Lloyd Baron

Name: Lloyd Baron

Title: Managing Director

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: REGIONS BANK, as a Lender

By: /s/ C. Vincent Hughes, Jr.

Name: C. Vincent Hughes, Jr.

Title: Vice President

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: UBS AG, STAMFORD BRANCH, as a Lender

By: /s/ Darlene Arias

Name: Darlene Arias

Title: Director

By: /s/ Anthony Joseph

Name: Anthony Joseph

Title: Associate Director

SIGNATURE PAGE TO SECOND AMENDMENT TO SECOND AMENDED AND RESTATED
CREDIT AGREEMENT, AMONG SERVICE PROPERTIES TRUST, EACH LENDER PARTY
HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE
AGENT

Name of Institution: American Savings Bank, F.S.B., as a Lender

By: /s/ Cyd Miyashiro

Name: Cyd Miyashiro

Title: Vice President

BARCLAYS BANK PLC, as a Lender

By: /s/ Craig Malloy

Name: Craig Malloy

Title: Director

EXHIBIT A

Amended Credit Agreement

[To be attached]

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- 2 -

~~Revolving Credit Loan Number/ CUSIP Number: 1005467/ 44106VAC6~~

~~Term Loan Loan Number/ CUSIP Number: 1006744/ 44016VAE2~~

~~Execution Version~~

Revolving Credit Loan Number/ CUSIP Number: 1005467/ 44106VAC6

Term Loan Number/ CUSIP Number: 1006744/ 44016VAE2

EXECUTION VERSION

CONFORMED COPY OF SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of May 10, 2018

conformed through

~~FIRST~~SECOND AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of ~~September 17~~ May 8, 2019 2020

by and among

SERVICE PROPERTIES TRUST (f/k/a HOSPITALITY PROPERTIES TRUST),

as Borrower,

THE FINANCIAL INSTITUTIONS PARTY HERETO

~~The financial institutions party hereto~~
~~and their assignees under Section~~ AND THEIR ASSIGNEES UNDER SECTION 12.5.

as Lenders,

WELLS FARGO Bank, National Association,

as Administrative Agent,

WELLS FARGO SECURITIES, LLC,
~~MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,~~
BofA Securities, Inc.,

PNC CAPITAL MARKETS, LLC

and

RBC CAPITAL MARKETS RBC Capital Markets is the global brand name for the corporate and investment banking business of Royal Bank of Canada and its affiliates.,

as Joint Lead Arrangers

and

Joint Lead Bookrunners,

BANK OF AMERICA, N.A.,

PNC BANK, NATIONAL ASSOCIATION

and

ROYAL BANK OF CANADA,

as Syndication Agents

and

CITIBANK, N.A.,

COMPASS BANK,

MIZUHO BANK, LTD.,

REGIONS BANK,

SUMITOMO MITSUI BANKING CORPORATION

and

U.S. BANK NATIONAL ASSOCIATION,

as Documentation Agents

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(continued)

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THIS SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this “Agreement”) dated as of May 10, 2018 (the “Agreement Date”), by and among ~~Error! Reference source not found.~~**SERVICE PROPERTIES TRUST (f/k/a HOSPITALITY PROPERTIES TRUST)**, a real estate investment trust formed under the laws of the State of Maryland (the “Borrower”), each of the financial institutions initially a signatory hereto together with their successors and assignees under Section 12.5. (the “Lenders”), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as Administrative Agent (the “Administrative Agent”), with each of **WELLS FARGO SECURITIES, LLC**, ~~MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED~~**BofA Securities, Inc.** (or its Affiliate), **PNC CAPITAL MARKETS, LLC** and **RBC CAPITAL MARKETS**, as Joint Lead Arrangers and Joint Bookrunners (each a “Lead Arranger”), each of **BANK OF AMERICA, N.A.**, **PNC BANK, NATIONAL ASSOCIATION** and **ROYAL BANK OF CANADA**, as Syndication Agents (each a “Syndication Agent”), and each of **CITIBANK, N.A.**, **COMPASS BANK**, **MIZUHO BANK, LTD.**, **REGIONS BANK**, **SUMITOMO MITSUI BANKING CORPORATION**, and **U.S. BANK NATIONAL ASSOCIATION**, as Documentation Agents (each a “Documentation Agent”).

WHEREAS, certain of the Lenders and other financial institutions have made available to the Borrower credit facilities in an aggregate initial amount of \$1,400,000,000, which include a \$400,000,000 term loan facility, a revolving credit facility in the amount of \$1,000,000,000, including a \$75,000,000 swingline subfacility and a \$50,000,000 letter of credit subfacility, on the terms and conditions contained in that certain Credit Agreement dated as of January 8, 2014 (as amended and in effect immediately prior to the date hereof, the “Existing Credit Agreement”) by and among the Borrower, such Lenders, certain other financial institutions, the Administrative Agent and the other parties thereto; and

WHEREAS, the Administrative Agent and the Lenders desire to amend and restate the Existing Credit Agreement on the terms and conditions contained herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree that the Existing Credit Agreement is amended and restated in its entirety as follows:

~~Article~~**ARTICLE I. Definitions**

Section 1.1. Definitions.

In addition to terms defined elsewhere herein, the following terms shall have the following meanings for the purposes of this Agreement:

“**4.25% Senior Notes**” has the meaning given that term in Section 2.8(b)(iii)(B).

“**Accession Agreement**” means an Accession Agreement substantially in the form of Annex I to the Guaranty.

“**Additional Costs**” has the meaning given that term in Section 4.1.(b).

“Adjusted EBITDA” means, with respect to a Person for a given period, such Person’s EBITDA for such period determined on a consolidated basis less the sum, without duplication, of (a) any FF&E Reserves to the extent included in EBITDA, (b) the excess, if any, with respect to each Hotel or Hotel Pool (as applicable) of such Person, of (i) 4.0% of total gross room revenues of such Hotel or Hotel Pool for such period over (ii) the FF&E Reserve actually funded during such period or prefunded for such period by the Operator or the Borrower or its Subsidiaries with respect to such Hotel or Hotel Pool pursuant to the applicable Lease, Management Agreement or any related Ancillary Agreement, (c) the excess, if any, with respect to each Travel Center of such Person, of (i) \$150,000 per annum for such Travel Center (such amount to be appropriately adjusted if such period is not a year in duration) over (ii) the FF&E Reserve actually funded or prefunded by the Operator or the Borrower during such period with respect to such Property pursuant to the applicable Lease or any related Ancillary Agreement, (d) Capital Expenditure Reserves for such period and (e) to the extent included in EBITDA, replacement reserves for any Other Properties.

“Administrative Agent” means Wells Fargo Bank, National Association as contractual representative of the Lenders under this Agreement, or any successor Administrative Agent appointed pursuant to Section 11.8.

“Administrative Questionnaire” means the Administrative Questionnaire completed by each Lender and delivered to the Administrative Agent in a form supplied by the Administrative Agent to the Lenders from time to time.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affected Lender” has the meaning given that term in Section 4.6.

“Affiliate” means with respect to a specified Person, another Person that directly or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with the Person specified. In no event shall the Administrative Agent or any Lender be deemed to be an Affiliate of the Borrower.

“Agreement Date” means ~~the date as of which this Agreement is dated~~ May 10, 2018.

“Ancillary Agreement” means, with respect to any Operating Agreement, any material incidental agreement with respect to such Operating Agreement (including, by way of example, guarantees, franchise agreements, and, in the case of Leases, management agreements not constituting Operating Agreements) to which the Borrower or any Subsidiary is a party.

“Anti-Corruption Laws” means all ~~Applicable Laws~~ laws, rules, and regulations of any jurisdiction from time to time concerning or relating to bribery; or corruption ~~or money laundering~~, including ~~without limitation, the~~ the United States Foreign Corrupt Practices Act of 1977, ~~as amended~~ and the rules and regulations thereunder and the U.K. Bribery Act 2010 and the rules and regulations thereunder.

“**Anti-Money Laundering Laws**” means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules related to terrorism financing, money laundering, any predicate crime to money laundering or any financial record keeping, including any applicable provision of the Patriot Act and The Currency and Foreign Transactions Reporting Act (also known as the “Bank Secrecy Act,” 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

~~“**Anti-Terrorism Laws**” has the meaning given that term in Section 6.1.(y).~~

“**Applicable Facility Fee**” means the percentage set forth in the table below corresponding to the Level at which the “Applicable Margin” is determined in accordance with the definition thereof:

1	0.100%
2	0.125%
3	0.150%
4	0.200%
5	0.250%
6	0.300%

Any change in the applicable Level at which the Applicable Margin is determined shall result in a corresponding and simultaneous change in the Applicable Facility Fee. The provisions of this definition shall be subject to Section 2.5.(c).

“**Applicable Law**” means all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes, executive orders, and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“**Applicable Margin**” means (a) at any time other than the times described in the immediately following clause (b), the percentage rate set forth in ~~the table~~Table I below corresponding to the level (each a “Level”) into which the Borrower’s Credit Rating then falls, and (b) at any time during the Temporary Waiver Period and continuing thereafter until the Post-Temporary Waiver Period Compliance Date, the percentage rate set forth in Table II below corresponding to the Level into which the Borrower’s Credit Rating then falls. As of the Agreement Date, the Applicable Margin is determined based on Level 4 of Table I. Any change in the Borrower’s Credit Rating which would cause it to move to a different Level shall be effective as of the first day of the first calendar month immediately following receipt by the Administrative Agent of written notice delivered by the Borrower in accordance with Section 8.4.(l) that the Borrower’s Credit Rating has changed; provided, however, if the Borrower has not delivered the notice required by such Section but the Administrative Agent becomes aware that the Borrower’s Credit Rating has changed, then the Administrative Agent may, in its sole discretion, adjust the Level effective as of the first day of the first calendar month following the date the Administrative Agent becomes aware that the Borrower’s Credit Rating has changed. During any period that the Borrower has received two Credit Ratings that are not equivalent, then (x) the Applicable Margin shall be determined based on the Level corresponding to the higher of such two Credit Ratings if the higher of such two Credit Ratings is not more than one Level higher than the lower of such two Credit Ratings and (y) the Applicable Margin shall be determined based on the Level corresponding to the Level immediately below the higher of such two Credit Ratings if the higher of such two Credit Ratings is more than one Level higher than the lower of such two Credit Ratings. During any period for which the Borrower has received a Credit Rating from only one Rating Agency, then the Applicable Margin shall be determined based on such Credit Rating. During any period that the Borrower has not received a Credit Rating from any Rating Agency, the Applicable Margin shall be determined based on Level 6 of the applicable table. The provisions of this definition shall be subject to Section 2.5.(c).

Table I - Non-Temporary Waiver Period

1	A/A2 or better	0.775%	0.000%	0.850%	0.000%
2	A-/A3	0.825%	0.000%	0.900%	0.000%
3	BBB+/Baa1	0.875%	0.000%	0.950%	0.000%
4	BBB/Baa2	1.000%	0.000%	1.100%	0.100%
5	BBB-/Baa3	1.200%	0.200%	1.350%	0.350%
6	Lower than BBB-/Baa3 or not rated	1.550%	0.550%	1.750%	0.750%

Table II - Temporary Waiver Period

Level	Borrower's Credit Rating (S&P/Moody's)	Applicable Margin for Revolving Loans that are LIBOR Loans	Applicable Margin for Revolving Loans that are Base Rate Loans	Applicable Margin for Term Loans that are LIBOR Loans	Applicable Margin for Term Loans that are Base Rate Loans
1	A/A2 or better	1.275%	0.275%	1.350%	0.350%
2	A-/A3	1.325%	0.325%	1.400%	0.400%
3	BBB+/Baa1	1.375%	0.375%	1.450%	0.450%
4	BBB/Baa2	1.500%	0.500%	1.600%	0.600%
5	BBB-/Baa3	1.700%	0.700%	1.850%	0.850%
6	Lower than BBB-/Baa3 or not rated	2.050%	1.050%	2.250%	1.250%

“**Approved Fund**” means any Fund that is administered, managed or underwritten by (a) a Lender, (b) an Affiliate of a Lender, or (c) an entity or an Affiliate of any entity that administers or manages a Lender.

“Asset Under Development” means, as of any date of determination, any Property on which construction of new income-producing improvements has been commenced and is continuing. If such construction consists of the construction of tenant or comparable improvements or hotel renovations, as opposed to material expansion of such Property or any “ground up” development, such Property shall not be considered to be an Asset Under Development. In addition, to the extent any Property includes a revenue-generating component (e.g. an existing Hotel) and a building under development, such revenue-generating component shall not be considered to be an Asset Under Development but such building under development shall be considered to be an Asset Under Development. Further, (i) no Hotel shall be considered an Asset Under Development if the opening date with respect to such Hotel has occurred and (ii) real property under construction to be (but not yet) acquired by the Borrower or a Subsidiary upon completion of construction pursuant to a contract in which the seller of such real property is required to complete construction prior to, and as a condition precedent to, such acquisition, shall be Assets Under Development.

“Assignment and Assumption” means an Assignment and Assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 12.5.), and accepted by the Administrative Agent, in substantially the form of Exhibit A or any other form approved by the Administrative Agent.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable ~~EEA~~ Resolution Authority in respect of any liability of an ~~EEA~~Affected Financial Institution.

“Bail-In Legislation” means; (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule; and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bankruptcy Code” means the Bankruptcy Code of 1978, as amended.

“Base Payments” means the minimum base rent or owner’s priority payment that an Owner is entitled to receive under an Operating Agreement. The term excludes: (a) payments (such as real estate taxes, insurance premiums, and costs of maintenance) that the Operating Agreement requires the Operator to pay third parties; (b) any element of rent or owner’s priority payment that is conditional, contingent, or not yet capable of determination; and (c) FF&E Reserves. If Operating Agreement(s) for multiple Hotels do not separately allocate Base Payments to such Hotels, then Base Payments shall be reasonably allocated among such Hotels (where necessary) in a manner satisfactory to the Administrative Agent.

“Base Rate” means, at any time, the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.50% and (c) the LIBOR Market Index Rate plus 1.0%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate, the Federal Funds Rate or the LIBOR Market Index Rate (provided that clause (c) shall not be applicable during any period in which LIBOR is unavailable or unascertainable).

“Base Rate Loan” means a Revolving Loan or Term Loan (or any portion thereof) bearing interest at a rate based on the Base Rate.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 CFR § 1010.230.

“Benefit Arrangement” means at any time an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Borrower” has the meaning set forth in the introductory paragraph hereof and shall include the Borrower’s successors and permitted assigns.

“Borrower Information” has the meaning given that term in Section 2.5.(c).

“Borrower Letter” means that certain letter dated as of even date herewith from the Borrower to the Administrative Agent and the Lenders.

“Business Day” means (a) for all purposes other than as set forth in clause (b) below, any day (other than a Saturday, Sunday or legal holiday) on which banks in New York, New York, are open for the conduct of their commercial banking business, and (b) with respect to all notices and determinations in connection with, and payments of principal and interest on, any LIBOR Loan, or any Base Rate Loan as to which the interest rate is determined by reference to LIBOR, any day that is a Business Day described in clause (a) and that is also a day for trading by and between banks in Dollar deposits in the London interbank market. Unless specifically referenced in this Agreement as a Business Day, all references to “days” shall be to calendar days.

“Business Management Agreement” means that certain Second Amended and Restated Business Management Agreement dated as of June 5, 2015, as amended to date, by and among the Borrower and RMR.

“Capital Expenditure Reserves” means, with respect to a Net Lease Retail Property and for a given period, an amount equal to (a) the aggregate rentable square footage of all completed space of such Property, times (b) \$0.10, times (c) the number of days in such period, divided by (d) 365; provided, however that no Capital Expenditure Reserves shall be required with respect to any portion of a Property which is leased to a third party obligated under such lease to pay all capital expenditures with respect to such portion of such Property.

“Capitalization Rate” means (a) 7.25% for Hotels located in central business districts of New York, New York, Washington D.C., Chicago, Illinois, Boston, Massachusetts, San Francisco, California, Los Angeles, California, Seattle, Washington, Miami, Florida and San Diego, California, (b) 8.00% for all other Hotels, (c) 7.50% for Net Lease Retail Properties and (d) 8.75% for Travel Centers and Other Properties.

“Capitalized Lease Obligation” means obligations under a lease (to pay rent or other amounts under any lease or other arrangement conveying the right to use) that are required to be capitalized for financial reporting purposes in accordance with GAAP. The amount of a Capitalized Lease Obligation is the capitalized amount of such obligation as would be required to be reflected on a balance sheet of the applicable Person prepared in accordance with GAAP as of the applicable date.

“Cash Collateralize” means, to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Issuing Banks or the Lenders, as collateral for Letter of Credit Liabilities or obligations of Lenders to fund participations in respect of Letter of Credit Liabilities, cash or deposit account balances or, if the Administrative Agent and the applicable Issuing Bank shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and the applicable Issuing Bank. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Equivalents” means: (a) securities issued, guaranteed or insured by the United States of America or any of its agencies with maturities of not more than one year from the date acquired; (b) certificates of deposit with maturities of not more than one year from the date acquired issued by a United States federal or state chartered commercial bank of recognized standing, or a commercial bank organized under the laws of any other country which is a member of the Organisation for Economic Cooperation and Development, or a political subdivision of any such country, acting through a branch or agency, which bank has capital and unimpaired surplus in excess of \$500,000,000 and which bank or its holding company has a short-term commercial paper rating of at least A-2 or the equivalent by S&P or at least P-2 or the equivalent by Moody’s; (c) reverse repurchase agreements with terms of not more than seven days from the date acquired, for securities of the type described in clause (a) above and entered into only with commercial banks having the qualifications described in clause (b) above; (d) commercial paper issued by any Person incorporated under the laws of the United States of America or any State thereof and rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody’s, in each case with maturities of not more than one year from the date acquired; and (e) investments in money market funds registered under the Investment Company Act of 1940, as amended, which have net assets of at least \$500,000,000 and at least 85% of whose assets consist of securities and other obligations of the type described in clauses (a) through (d) above.

“Collateral” means any real or personal property directly or indirectly securing any of the Obligations or any other obligation of a Person under or in respect of any Loan Document, including, without limitation, all Pledged Interests. For the avoidance of doubt, the Collateral shall not secure any Specified Derivatives Obligations.

“Collateral Value Percentage” means, as of any date of determination, the ratio, expressed as a percentage, of (i) the aggregate outstanding amount of the Obligations to (ii) the sum of the undepreciated book values of the Properties that are Unencumbered Assets owned directly by the issuers of the Pledged Interests and which have not then been excluded by Administrative Agent pursuant to Section 7.14(b)(4).

“Commitment” means, as to a Lender, such Lender’s Revolving Commitment or such Lender’s Term Loan Commitment, as the context may require.

“Compliance Certificate” has the meaning given that term in Section 8.3.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Construction Budget” means the fully budgeted costs for the acquisition and construction of a given piece of Property (including without limitation, the cost of acquiring such piece of Property (except to the extent any portion thereof is Unimproved Land), reserves for construction interest and operating deficits, tenant improvements, leasing commissions, and infrastructure costs), as reasonably determined by the Borrower in good faith.

“Continue”, **“Continuation”** and **“Continued”** each refers to the continuation of a LIBOR Loan from one Interest Period to another Interest Period pursuant to Section 2.9.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have meanings correlative thereto.

“Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §382.2(b).

“Convert”, **“Conversion”** and **“Converted”** each refers to the conversion of a Loan of one Type into a Loan of another Type pursuant to Section 2.10.

“Credit Event” means any of the following: (a) the making (or deemed making) of any Loan, (b) the Conversion of a Base Rate Loan into a LIBOR Loan and (c) the issuance of a Letter of Credit or the amendment of a Letter of Credit that extends the maturity, or increases the Stated Amount, of such Letter of Credit.

“Credit Rating” means the rating assigned by a Rating Agency to the senior unsecured long term Indebtedness of a Person.

“Debt Service” means, for any period, the sum of: (a) Interest Expense of the Borrower and its Subsidiaries determined on a consolidated basis for such period and (b) all regularly scheduled principal payments made with respect to Indebtedness of the Borrower and its Subsidiaries during such period, in each case, other than any balloon, bullet or similar principal payment which repays such Indebtedness in full.

“Debtor Relief Laws” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar Applicable Laws relating to the relief of debtors in the United States of America or other applicable jurisdictions from time to time in effect.

“Default” means any of the events specified in Section 10.1., whether or not there has been satisfied any requirement for the giving of notice, the lapse of time, or both.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” means, subject to Section 3.9.(f), any Lender that (a) has failed to (i) fund all or any portion of its Loans within 2 Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the Issuing Banks, the Swingline Lenders or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within 2 Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, an Issuing Bank or a Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) in the case of a Revolving Lender, has failed, within 3 Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States of America or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 3.9.(f)) upon delivery of written notice of such determination to the Borrower, each Issuing Bank, each Swingline Lender and each Lender.

“Derivatives Contract” means (a) any transaction (including any master agreement, confirmation or other agreement with respect to any such transaction) now existing or hereafter entered into by the Borrower or any of its Subsidiaries (i) which is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, weather index transaction or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions) or (ii) which is a type of transaction that is similar to any transaction referred to in clause (i) above that is currently, or in the future becomes, recurrently entered into in the financial markets (including terms and conditions incorporated by reference in such agreement) and which is a forward, swap, future, option or other derivative on one or more rates,

currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made, and (b) any combination of these transactions.

“Derivatives Support Document” means (i) any credit support annex comprising part of (and as defined in) any Specified Derivatives Contract, and (ii) any document or agreement pursuant to which cash, deposit accounts, securities accounts or similar financial asset collateral are pledged to or made available for set-off by, a Specified Derivatives Provider, including any banker’s lien or similar right, securing or supporting Specified Derivatives Obligation.

“Derivatives Termination Value” means, in respect of any one or more Derivatives Contracts, after taking into account the effect of any legally enforceable netting agreement or provision relating thereto, (a) for any date on or after the date such Derivatives Contracts have been terminated or closed out, the termination amount or value determined in accordance therewith, and (b) for any date prior to the date such Derivatives Contracts have been terminated or closed out, the then-current mark-to-market value for such Derivatives Contracts, determined based upon one or more mid-market quotations or estimates provided by any recognized dealer in Derivatives Contracts (which may include the Administrative Agent, any Lender, any Specified Derivatives Provider or any Affiliate of any thereof).

“Developable Property” means (a) any Property on which there are no improvements (excluding land which is leased under a net lease to a third party) or (b) any Property (or portion thereof) acquired by the Borrower or any Subsidiary for the purposes of being developed. Developable Property shall not include any Property that is an Asset Under Development.

“Disbursement Instruction Agreement” means an agreement substantially in the form of Exhibit K to be executed and delivered by the Borrower pursuant to Section 5.1.(a), as the same may be amended, restated or modified from time to time with the prior written approval of the Administrative Agent.

“Dollars” or “\$” means the lawful currency of the United States of America.

“EBITDA” means, with respect to a Person for a given period and without duplication, the sum of: (a) net income (or loss) of such Person for such period determined on a consolidated basis, in accordance with GAAP, exclusive of the following (but only to the extent included in the determination of such net income (loss) for such period): (i) depreciation and amortization expense; (ii) interest expense; (iii) income tax expense; (iv) extraordinary or non-recurring gains and losses (including asset impairment charges); (v) transaction costs of acquisitions not permitted to be capitalized pursuant to GAAP, (vi) fair value adjustments related to investments in equity securities pursuant to FASB ASC 321; and (vii) in the case of Borrower and its Subsidiaries, equity in the earnings (or loss) of Unconsolidated Affiliates and RMR Inc. (but only in the case of RMR Inc., if RMR Inc. would be an Unconsolidated Affiliate but for the last sentence of the definition of that term); plus (b) in the case of the Borrower and its Subsidiaries cash dividends (other than extraordinary cash dividends or distributions) received by the Borrower or its Subsidiaries from RMR Inc. during such period; plus (c) such Person’s Ownership Share of EBITDA of its Unconsolidated Affiliates. Straight line rent leveling adjustments, deferred percentage rent adjustments required under GAAP, and amortization of intangibles pursuant to FASB ASC 805 and the like, shall be disregarded in determinations of EBITDA.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the later of (a) the Agreement Date and (b) the date on which all of the conditions precedent set forth in Section 5.1. shall have been fulfilled or waived by all of the Lenders.

“Eligible Assignee” means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund and (d) any other Person (other than a natural person) (subject to such consents, if any, as may be required under Section 12.5.(b)(iii)); provided that notwithstanding the foregoing, “Eligible Assignee” shall not include (i) the Borrower or any of the Borrower’s Affiliates or Subsidiaries or (ii) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (ii).

“Environmental Laws” means any Applicable Law relating to environmental protection or the manufacture, storage, remediation, disposal or clean-up of Hazardous Materials including, without limitation, the following: Clean Air Act, 42 U.S.C. § 7401 et seq.; Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; National Environmental Policy Act, 42 U.S.C. § 4321 et seq.; regulations of the Environmental Protection Agency, any applicable rule of common law and any judicial interpretation thereof relating primarily to the environment or Hazardous Materials, and any analogous or comparable state or local laws, regulations or ordinances that concern Hazardous Materials or protection of the environment.

“Equity Interest” means, with respect to any Person, any share of capital stock of (or other ownership or profit interests in) such Person, any warrant, option or other right for the purchase or other acquisition from such Person of any share of capital stock of (or other ownership or profit interests in) such Person whether or not certificated, any security convertible into or exchangeable for any share of capital stock of (or other ownership or profit interests in) such Person or warrant, right or option for the purchase or other acquisition from such Person of such shares (or such other interests), and any other ownership or profit interest in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized or otherwise existing on any date of determination.

“Equity Pledges” means all Liens in favor of the Administrative Agent (for the benefit of the Lenders) on the Pledged Interests pursuant to and as set forth in the Pledge Agreement.

“Equity Pledge Release Date” has the meaning given that term in Section 7.14(b).

“ERISA” means the Employee Retirement Income Security Act of 1974, as in effect from time to time.

“ERISA Event” means, with respect to the ERISA Group, (a) any “reportable event” as defined in Section 4043 of ERISA with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the withdrawal of a member of the ERISA Group from a Plan subject to Section 4063 of ERISA during a plan year in which it was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) the incurrence by a member of the ERISA Group of any liability with respect to the withdrawal or partial withdrawal from any Multiemployer Plan; (d) the incurrence by any member of the ERISA Group of any liability under Title IV of ERISA with respect to the termination of any Plan or Multiemployer Plan; (e) the institution of proceedings to terminate a Plan or Multiemployer Plan by the PBGC; (f) the failure by any member of the ERISA Group to make when due required contributions to a Multiemployer Plan or Plan unless such failure is cured within 30 days or the filing pursuant to Section 412(c) of the Internal Revenue Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard; (g) any other event or condition that might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan or Multiemployer Plan or the imposition of liability under Section 4069 or 4212(c) of ERISA; (h) the receipt by any member of the ERISA Group of any notice or the receipt by any Multiemployer Plan from any member of the ERISA Group of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent (within the meaning of Section 4245 of ERISA), in reorganization (within the meaning of Section 4241 of ERISA), or in “critical” status (within the meaning of Section 432 of the Internal Revenue Code or Section 305 of ERISA); (i) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any member of the ERISA Group or the imposition of any Lien in favor of the PBGC under Title IV of ERISA; or (j) a determination that a Plan is, or is reasonably expected to be, in “at risk” status (within the meaning of Section 430 of the Internal Revenue Code or Section 303 of ERISA).

“ERISA Group” means the Borrower, any Subsidiary and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control, which, together with the Borrower or any Subsidiary, are treated as a single employer under Section 414 of the Internal Revenue Code.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” means any of the events specified in Section 10.1., provided that any requirement for notice or lapse of time or any other condition has been satisfied.

“Excluded Subsidiary” means any Subsidiary (a) holding title to or beneficially owning assets which are or are intended to become collateral for any Secured Indebtedness of such Subsidiary, or being a beneficial owner of a Subsidiary holding title to or beneficially owning such assets (but having no material assets other than such beneficial ownership interests or the equity interests of a Subsidiary having no material assets other than such beneficial ownership interests) and (b) which (i) is, or is expected to be, prohibited from Guarantying the Indebtedness of any other Person pursuant to any document, instrument or agreement evidencing such Secured Indebtedness or (ii) is prohibited from Guarantying the Indebtedness of any other Person pursuant to a provision of such Subsidiary’s organizational documents which provision was included in such Subsidiary’s organizational documents as a condition or anticipated condition to the extension of such Secured Indebtedness.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to an Applicable Law in effect on the date on which (i) such Lender acquires such interest in such Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 4.6.) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 3.10., amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 3.10.(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

“Existing Credit Agreement” has the meaning given that term in the recitals to this Agreement.

“Existing Letters of Credit” means the letters of credit issued and outstanding under the Existing Credit Agreement and set forth on Schedule 1.1.(a).

“Extended Letter of Credit” has the meaning given that term in Section 2.3.(b).

“**Fair Market Value**” means, (a) with respect to a security listed on a national securities exchange or the NASDAQ Global Market, the price of such security as reported on such exchange or market by any widely recognized reporting method customarily relied upon by financial institutions and (b) with respect to any other property, the price which could be negotiated in an arm’s-length free market transaction, for cash, between a willing seller and a willing buyer, neither of which is under pressure or compulsion to complete the transaction.

“**FASB ASC**” means the Accounting Standards Codification of the Financial Accounting Standards Board.

“**FATCA**” means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code.

“**Federal Funds Rate**” means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal Funds brokers of recognized standing selected by the Administrative Agent. If the Federal Funds Rate determined as provided above would be less than ~~zero~~**fifty basis points (0.50%)**, then the Federal Funds Rate shall be deemed to be **zero****fifty basis points (0.50%)**.

“**Fee Letter**” means that certain fee letter dated as of April 23, 2018, by and among the Borrower, Wells Fargo, Wells Fargo Securities, LLC and the other parties thereto.

“**Fees**” means the fees and commissions provided for or referred to in Section 3.5. and any other fees payable by the Borrower hereunder, under any other Loan Document or under the Fee Letter.

“**FF&E Reserve**” means, for any period and with respect to a given Property or Hotel Pool, an amount equal to the amount that the Operating Agreement or any Ancillary Agreement for such Property or Hotel Pool requires the Operator to reserve during such period for (i) replacements and renewals to such Property’s or Hotel Pool’s furnishings, fixtures and equipment, (ii) routine repairs and maintenance to buildings which are normally capitalized under GAAP and (iii) major repairs, alterations, improvements, renewals or replacements to building structures, roofs or exterior façade, or for mechanical, electrical, HVAC, plumbing or vertical transportation systems.

“**First Amendment Date**” means September 17, 2019.

“**Fitch**” means Fitch, Inc. and its successors.

“Fixed Charges” means, for any period, the sum (without duplication) of (a) Debt Service for such period and (b) Preferred Dividends for such period.

“Foreign Lender” means a Lender that is not a U.S. Person.

“Foreign Subsidiary” means a Subsidiary not formed under the laws of the United States of America, any state thereof or the District of Columbia.

“Fronting Exposure” means, at any time there is a Defaulting Lender that is a Revolving Lender, (a) with respect to an Issuing Bank, such Defaulting Lender’s Revolving Commitment Percentage of the outstanding Letter of Credit Liabilities owed to such Issuing Bank other than Letter of Credit Liabilities as to which such Defaulting Lender’s participation obligation has been reallocated to other Revolving Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to a Swingline Lender, such Defaulting Lender’s Revolving Commitment Percentage of outstanding Swingline Loans owed to such Swingline Lender other than Swingline Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Revolving Lenders.

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“GAAP” means generally accepted accounting principles in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (including Statement of Financial Accounting Standards No. 168, “The FASB Accounting Standards Codification”) or in such other statements by such other entity as may be approved by a significant segment of the accounting profession in the United States of America, which are applicable to the circumstances as of the date of determination.

“Governmental Approvals” means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and reports to, all Governmental Authorities.

“Governmental Authority” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, administrative, public or statutory instrumentality, authority, body, agency, bureau, commission, board, department or other entity (including, without limitation, the Federal Deposit Insurance Corporation, the Comptroller of the Currency or the Federal Reserve Board, any central bank or any comparable authority) or any arbitrator with authority to bind a party at law.

“Ground Lease” means a ground lease containing the following terms and conditions: (a) either (i) a remaining term (taking into account extensions which may be effected by the lessee without the consent of the lessor) of no less than 30 years from the Agreement Date, or (ii) the right of the lessee to purchase the property on terms reasonably acceptable to the Administrative Agent; (b) the right of the lessee to mortgage and encumber its interest in the leased property without the consent of the lessor; (c) the obligation of the lessor to give the holder of any mortgage Lien on such leased property written notice of any defaults on the part of the lessee and that such lease will not be terminated until such holder has had a reasonable opportunity to cure or complete foreclosures, and fails to do so; and (d) free transferability of the lessee’s interest under such lease, including ability to sublease, subject to only reasonable consent provisions.

“Guarantor” means any Person that is party to the Guaranty as a “Guarantor”.

“Guaranty”, “Guaranteed” or to “Guarantee” as applied to any obligation means and includes: (a) a guaranty (other than by endorsement of negotiable instruments for collection in the ordinary course of business), directly or indirectly, in any manner, of any part or all of such obligation, or (b) an agreement, direct or indirect, contingent or otherwise, and whether or not constituting a guaranty, the practical effect of which is to assure the payment or performance (or payment of damages in the event of nonperformance) of any part or all of such obligation whether by: (i) the purchase of securities or obligations, (ii) the purchase, sale or lease (as lessee or lessor) of property or the purchase or sale of services primarily for the purpose of enabling the obligor with respect to such obligation to make any payment or performance (or payment of damages in the event of nonperformance) of or on account of any part or all of such obligation, or to assure the owner of such obligation against loss, (iii) the supplying of funds to or in any other manner investing in the obligor with respect to such obligation, (iv) repayment of amounts drawn down by beneficiaries of letters of credit (including Letters of Credit), or (v) the supplying of funds to or investing in a Person on account of all or any part of such Person’s obligation under a Guaranty of any obligation or indemnifying or holding harmless, in any way, such Person against any part or all of such obligation. As the context requires, “Guaranty” shall also mean the guaranty executed and delivered pursuant to Section 5.1. or 7.13., as applicable, and substantially in the form of Exhibit B.

“Hazardous Materials” means all or any of the following: (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable Environmental Laws as “hazardous substances”, “hazardous materials”, “hazardous wastes”, “toxic substances” or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, “TCLP” toxicity, or “EP toxicity”; (b) oil, petroleum or petroleum derived substances, natural gas, natural gas liquids or synthetic gas and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; (c) any flammable substances or explosives or any radioactive materials; (d) asbestos in any form; (e) toxic mold; and (f) electrical equipment which contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty parts per million.

“Hotel” means any Property, the improvements on which are operated as a hotel, inn or the providing of lodging or leisure services, together with any incidental improvements on such Property operated in connection with such hotel, inn, lodging or leisure facility.

“Hotel Net Cash Flow” means the net operating cash flow of a Hotel, after (a) all taxes (except income taxes), insurance, salaries, utilities, and other operating expenses, and all other sums that the applicable Operating Agreement or any related Ancillary Agreement requires the applicable Operator to pay from the cash flow of such Hotel (excluding (i) all items payable to such Operator that are subordinated to Base Payments and (ii) Base Payments), and (b) the greater of (a) FF&E Reserves, or (b) 4.0% of total gross room revenues for such period. Hotel Net Cash Flow shall be determined as of any date based on the last four completed fiscal quarters of the Person that owns such Hotel (subject to reasonable adjustment or interpolation to accommodate differences between such Person’s fiscal quarters and those of its Operator).

“Hotel Pool” means any group of two or more Properties, substantially all of the value of which is attributable to Hotels, that are leased to or managed by an Operator pursuant to a single Lease or other Operating Agreement, or multiple Leases or other Operating Agreements that are cross-defaulted (as to defaults by lessee or manager, as applicable).

“Indebtedness” means, with respect to a Person, at the time of computation thereof, all of the following (without duplication): (a) all obligations of such Person in respect of money borrowed or for the deferred purchase price of property or services (excluding trade debt incurred in the ordinary course of business); (b) all obligations of such Person, whether or not for money borrowed (i) represented by notes payable, or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments, or (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or assumed as full or partial payment for property or for services rendered; (c) Capitalized Lease Obligations of such Person; (d) all reimbursement obligations (contingent or otherwise) of such Person under or in respect of any letters of credit or acceptances (whether or not the same have been presented for payment); (e) all Off-Balance Sheet Obligations; (f) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Mandatorily Redeemable Stock issued by such Person or any other Person, valued at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; (g) all obligations of such Person in respect of any purchase obligation, repurchase obligation, takeout commitment or forward equity commitment (excluding, in the case of the Borrower and its Subsidiaries, to the extent any such obligation can be satisfied solely by the issuance of Equity Interests (other than Mandatorily Redeemable Stock)); (h) all Indebtedness of other Persons which such Person has Guaranteed or is otherwise recourse to such Person, valued at the lesser of (x) the stated or determinable amount of the Indebtedness such Person Guaranteed or, if the amount of such Indebtedness is not stated or determinable, the maximum reasonably anticipated liability in respect thereof, and (y) the amount of any express limitation on such Guaranty; (i) all Indebtedness of another Person secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien (other than Permitted Liens of the types described in clauses (a) through (c) or (e) through (i) of the definition thereof) on property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness or other payment obligation, valued, in the case of any such Indebtedness as to which recourse for the payment thereof is expressly limited to the property or assets on which such Lien is granted, at the lesser of (x) the stated or determinable amount of the Indebtedness that is so secured or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) and (y) the Fair Market Value of such property or assets; and (j) such Person’s Ownership Share of the Indebtedness of any Unconsolidated Affiliate of such Person.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower or any other Loan Party under any Loan Document and (b) to the extent not otherwise described in the immediately preceding clause (a), Other Taxes.

“Intellectual Property” has the meaning given that term in Section 6.1.(t).

“Interest Expense” means, with respect to a Person for any period of time (a) the interest expense whether paid, accrued or capitalized (without deduction of consolidated interest income) of such Person for such period plus (b) in the case of the Borrower, the Borrower’s Ownership Share of Interest Expense of its Unconsolidated Affiliates. Interest Expense shall exclude any amortization of (i) deferred financing fees and (ii) debt discounts (but only to the extent such discounts do not exceed 3.0% of the initial face principal amount of such debt).

“Interest Period” means, with respect to each LIBOR Loan, each period commencing on the date such LIBOR Loan is made, or in the case of the Continuation of a LIBOR Loan the last day of the preceding Interest Period for such Loan, and ending 7 days thereafter or on the numerically corresponding day in the first, third or sixth calendar month thereafter, as the Borrower may select in a Notice of Borrowing, Notice of Continuation or Notice of Conversion, as the case may be, except that each Interest Period (other than an Interest Period having a duration of 7 days) that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month. Notwithstanding the foregoing: (i) if any Interest Period for a Revolving Loan or Term Loan would otherwise end after the Revolving Termination Date or Term Loan Maturity Date, as applicable, such Interest Period shall end on the Revolving Termination Date or Term Loan Maturity Date, as applicable; and (ii) each Interest Period that would otherwise end on a day which is not a Business Day shall end on the immediately following Business Day (or, if such immediately following Business Day falls in the next calendar month, on the immediately preceding Business Day).

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended.

“Investment” means, (x) with respect to any Person, any acquisition or investment (whether or not of a controlling interest) by such Person, by means of any of the following: (a) the purchase or other acquisition of any Equity Interest in another Person, (b) a loan, advance or extension of credit to, capital contribution to, Guaranty of Indebtedness of, or purchase or other acquisition of any Indebtedness of, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute the business or a division or operating unit of another Person and (y) with respect to any Property or other asset, the acquisition thereof. Any commitment to make an Investment in any other Person, as well as any option of another Person to require an Investment in such Person, shall constitute an Investment. Except as expressly provided otherwise, for purposes of determining compliance with any covenant contained in a Loan Document, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“Issuing Banks” means each of Wells Fargo, Bank of America, N.A., PNC and RBC, in its capacity as an issuer of Letters of Credit pursuant to Section 2.3. of the Credit Agreement.

“L/C Commitment Amount” has the meaning given to that term in Section 2.3.(a).

“L/C Disbursement” has the meaning given to that term in Section 3.9.(b).

“Lease” means a (sub)lease of a Property between the Borrower or a Subsidiary, as (sub)lessor, and an Operator, as (sub)lessee; provided that unless the Administrative Agent otherwise approves, a (sub)lease of a Property from the Borrower or a Subsidiary to a TRS or any other Subsidiary of the Borrower shall be deemed not to be a “Lease” for purposes of this Agreement.

“Lender” means each financial institution from time to time party hereto as a “Lender,” together with its respective successors and permitted assigns, and, as the context requires, includes each Swingline Lender. Except as expressly provided herein, the term “Lender” shall exclude any Lender (and its Affiliates) in its capacity as a Specified Derivatives Provider

“Lending Office” means, for each Lender and for each Type of Loan, the office of such Lender specified in such Lender’s Administrative Questionnaire or in the applicable Assignment and Assumption, or such other office of such Lender as such Lender may notify the Administrative Agent in writing from time to time.

“Lessee” means the (sub)lessee of a Property pursuant to a Lease, provided that (x) without the Administrative Agent’s approval or (y) unless such Lease shall be a transaction with an Affiliate permitted by Section 9.8., no such (sub)lessee shall be an Affiliate of the Borrower (including, without limitation, RMR, or any Managing Trustee), except during an interim period for Properties which are foreclosed upon or repossessed upon lease terminations or otherwise by or on behalf of the Borrower or a Subsidiary.

“Letter of Credit” has the meaning given that term in Section 2.3.(a).

“Letter of Credit Collateral Account” means a special deposit account maintained by the Administrative Agent, for the benefit of the Administrative Agent, one or more Issuing Banks and the Lenders, and under the sole dominion and control of the Administrative Agent.

“Letter of Credit Documents” means, with respect to any Letter of Credit, collectively, any application therefor, any certificate or other document presented in connection with a drawing under such Letter of Credit and any other agreement, instrument or other document governing or providing for (a) the rights and obligations of the parties concerned or at risk with respect to such Letter of Credit or (b) any collateral security for any of such obligations.

“Letter of Credit Liabilities” means, without duplication, at any time and in respect of any Letter of Credit, the sum of (a) the Stated Amount of such Letter of Credit plus (b) the aggregate unpaid principal amount of all Reimbursement Obligations of the Borrower at such time due and payable in respect of all drawings made under such Letter of Credit. For purposes of this Agreement, a Revolving Lender (other than the Revolving Lender then acting as Issuing Bank with respect to such related Letter of Credit) shall be deemed to hold a Letter of Credit Liability in an amount equal to its participation interest under Section 2.3. in the related Letter of Credit, and the Revolving Lender then acting as Issuing Bank with respect to such related Letter of Credit shall be deemed to hold a Letter of Credit Liability in an amount equal to its retained interest in the related Letter of Credit after giving effect to the acquisition by the Revolving Lenders (other than the Revolving Lender then acting as Issuing Bank with respect to such related Letter of Credit) of their participation interests under such Section.

“**Level**” has the meaning given that term in the definition of the term “Applicable Margin.”

“**LIBOR**” means, subject to implementation of a Replacement Rate in accordance with Section 4.2-(b), with respect to any LIBOR Loan for any Interest Period, the rate of interest obtained by dividing (i) the rate of interest per annum determined on the basis of the rate for deposits in Dollars for a period equal to the applicable Interest Period as published by the ICE Benchmark Administration Limited, a United Kingdom Company, or a comparable or successor quoting service approved by the Administrative Agent, at approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of the applicable Interest Period ~~by~~ (ii) a percentage equal to 1 ~~minus~~ the stated maximum rate (stated as a decimal) of all reserves, if any, required to be maintained with respect to Eurocurrency funding (currently referred to as “Eurocurrency liabilities”) as specified in Regulation D of the Board of Governors of the Federal Reserve System (or against any other category of liabilities which includes deposits by reference to which the interest rate on LIBOR Loans is determined or any applicable category of extensions of credit or other assets which includes loans by an office of any Lender outside of the United States of America). If, for any reason, the rate referred to in the preceding clause (i) is not so published, then the rate to be used for such clause (i) shall be determined by the Administrative Agent to be the arithmetic average of the rate per annum at which deposits in Dollars would be offered by first class banks in the London interbank market to the Administrative Agent at approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of the applicable Interest Period for a period equal to such Interest Period. Any change in the maximum rate or reserves described in the preceding clause (ii) shall result in a change in LIBOR on the date on which such change in such maximum rate becomes effective. Notwithstanding the foregoing, (x) in no event shall LIBOR (including, without limitation, any Replacement Rate with respect thereto) be less than ~~zero~~ fifty basis points (0.50%) per annum and (y) unless otherwise specified in any amendment to this Agreement entered into in accordance with Section 4.2-(b), in the event that a Replacement Rate with respect to LIBOR is implemented then all references herein to LIBOR shall be deemed references to such Replacement Rate.

“**LIBOR Loan**” means a Revolving Loan or Term Loan (or any portion thereof) (other than a Base Rate Loan) bearing interest at a rate based on LIBOR.

“**LIBOR Market Index Rate**” means, for any day, LIBOR as of that day that would be applicable for a LIBOR Loan having a one-month Interest Period determined at approximately 10:00 a.m. Central time on such day (rather than 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period as otherwise provided in the definition of “LIBOR”), or if such day is not a Business Day, the immediately preceding Business Day. The LIBOR Market Index Rate shall be determined on a daily basis. ~~If the LIBOR Market Index Rate determined as provided above would be less than fifty basis points (0.50%), then the LIBOR Market Index Rate shall be deemed to be fifty basis points (0.50%).~~

“**Lien**” as applied to the property of any Person means: (a) any security interest, encumbrance, mortgage, deed to secure debt, deed of trust, assignment of leases and rents, pledge, lien, hypothecation, assignment, charge or lease constituting a Capitalized Lease Obligation, conditional sale or other title retention agreement, or other security title or encumbrance of any kind in respect of any property of such Person, or upon the income, rents or profits therefrom; (b) any arrangement, express or implied, under which any property of such Person is transferred, sequestered or otherwise identified for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to the payment of the general, unsecured creditors of such Person; (c) the filing of any financing statement under the UCC or its equivalent in any jurisdiction, other than any precautionary filing not otherwise constituting or giving rise to a Lien, including a financing statement filed (i) in respect of a lease not constituting a Capitalized Lease Obligation pursuant to Section 9-505 (or a successor provision) of the UCC or its equivalent as in effect in an applicable jurisdiction or (ii) in connection with a sale or other disposition of accounts or other assets not prohibited by this Agreement in a transaction not otherwise constituting or giving rise to a Lien; and (d) any agreement by such Person to grant, give or otherwise convey any of the foregoing.

“**Liquidity**” means, at any time, the sum of (a) the aggregate Revolving Commitments of all Lenders as of such date minus the outstanding principal balance of all Revolving Loans, Swingline Loans and Letter of Credit Liabilities, plus (b) unrestricted and unencumbered cash, in Dollars, solely owned by the Borrower and held in the United States.

“Loan” means a Revolving Loan, a Term Loan or a Swingline Loan.

“Loan Document” means this Agreement, each Note, the Guaranty, [the Pledge Agreement](#), each Letter of Credit Document and each other document or instrument now or hereafter executed and delivered by a Loan Party in connection with, pursuant to or relating to this Agreement (other than the Fee Letter and any Specified Derivatives Contract).

“Loan Party” means each of the Borrower, [each Pledgor](#), and each other Person who guarantees all or a portion of the Obligations and/or who pledges any collateral to secure all or a portion of the Obligations. Schedule 1.1.(c) sets forth the Loan Parties in addition to the Borrower as of the Agreement Date.

“Management Agreement” means an agreement pursuant to which the Borrower or a Subsidiary, as Owner, contracts for the management and operation of a Property by an Operator. In the event a Property is subject to both a Lease and an agreement that would otherwise constitute a Management Agreement under this definition, such agreement shall be treated as an Ancillary Agreement with respect to such Lease rather than as a Management Agreement for purposes of this Agreement.

“Managing Trustee” means either Mr. John G. Murray or Mr. Adam D. Portnoy, both having a business address c/o RMR, or any duly appointed successor thereto.

“Mandatorily Redeemable Stock” means, with respect to any Person, any Equity Interest of such Person which by the terms of such Equity Interest (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable), upon the happening of any event or otherwise, (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than an Equity Interest to the extent redeemable in exchange for common stock or other equivalent common Equity Interests at the option of the issuer of such Equity Interest), (b) is convertible into or exchangeable or exercisable for Indebtedness or Mandatorily Redeemable Stock, or (c) is redeemable at the option of the holder thereof, in whole or part (other than an Equity Interest which is redeemable solely in exchange for common stock or other equivalent common Equity Interests); in the case of each of clauses (a) through (c), on or prior to the date ~~on which all Loans are scheduled to be due and payable in full~~ [that is ninety-one \(91\) days following the Term Loan Maturity Date](#).

“Material Acquisition” means any acquisition (whether by direct purchase, merger or otherwise and whether in one or more related transactions) by the Borrower or any Subsidiary in which the purchase price of the assets acquired exceeds 5.0% of the consolidated total assets of the Borrower and its Subsidiaries determined under GAAP as of the most recent fiscal quarter of the Borrower for which financial statements are available.

“Material Adverse Effect” means a materially adverse effect on (a) the business, assets, liabilities, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower or any other Loan Party to perform its obligations under any Loan Document to which it is a party, (c) the validity or enforceability of any of the Loan Documents, (d) the rights and remedies of the Lenders, the Issuing Banks and the Administrative Agent under any of the Loan Documents or (e) the timely payment of the principal of or interest on the Loans or other amounts payable in connection therewith or the timely payment of all Reimbursement Obligations.

“Material Contract” means any contract or other arrangement (other than Loan Documents and Specified Derivatives Contracts), whether written or oral, to which the Borrower, any Subsidiary or any other Loan Party is a party as to which the breach, nonperformance, cancellation or failure to renew by any party thereto could reasonably be expected to have a Material Adverse Effect, and in any event shall include the Business Management Agreement and Property Management Agreement.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“Mortgage” means a mortgage, deed of trust, deed to secure debt or similar security instrument made by a Person owning an interest in real estate granting a Lien on such interest in real estate as security for the payment of Indebtedness.

“Mortgage Note” means a promissory note satisfying all of the following requirements: (a) such promissory note is owned solely by the Borrower or a Subsidiary; (b) such promissory note is secured by a lien on real property and the improvements on which are of a type similar to improvements located on the Properties as of the Agreement Date; (c) such real property and related improvements are not subject to any environmental conditions or other matters which, individually or collectively, materially impair the value of such real property or related improvements; (d) the obligor in respect of such promissory note is not an Affiliate of the Borrower or RMR; and (e) if the Borrower or any Subsidiary were to acquire such real property and related improvements, no Default or Event of Default would result from such acquisition.

~~**“Mortgage Receivable”** means a promissory note secured by a Mortgage of which the Borrower or a Subsidiary is the holder and retains the rights of collection of all payments thereunder.~~

“Multiemployer Plan” means at any time a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding six plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such six-year period.

“Negative Pledge” means, with respect to a given asset, any provision of a document, instrument or agreement (other than any Loan Document, a Specified Derivatives Contract or a lease or related agreement between a TRS, as tenant, and the Borrower or another Subsidiary, as landlord) which prohibits or purports to prohibit the creation or assumption of any Lien on such asset as security for Indebtedness of the Person owning such asset or any other Person; provided, however, that an agreement that conditions a Person’s ability to encumber its assets upon the maintenance of one or more specified ratios that limit a Person’s ability to encumber its assets but that do not generally prohibit the encumbrance of its assets, or the encumbrance of specific assets, shall not constitute a Negative Pledge.

“Net Cash Proceeds” means the aggregate cash or cash equivalent proceeds received by the Borrower or any of its Subsidiaries, or Borrower’s Ownership Share of any cash or Cash Equivalents proceeds received by any Unconsolidated Affiliate, in respect of any sale, assignment, transfer or other disposition of any kind of any asset, any capital markets transaction (including the issuance of any Equity Interest, whether common, preferred or otherwise), any debt or debt refinancing (whether secured or unsecured), or any Stimulus Transaction, in each case, net of (a) customary direct costs incurred in connection therewith (including legal, accounting and investment banking fees, and underwriting discounts and commissions), and (b) taxes paid or payable as a result thereof; it being understood that “Net Cash Proceeds” shall include, without limitation, any cash or cash equivalents received upon the sale or other disposition of any non-cash or non-cash equivalent consideration received by the Borrower or any of its Subsidiaries (or Borrower’s Ownership Share of any cash or cash equivalents proceeds received by any Unconsolidated Affiliate upon the sale or other disposition of any such non-cash or non-cash equivalent consideration) in respect of any the foregoing transactions or events.

“Net Lease Retail Property” means an income producing Property (a) the improvements on which consist of service-oriented retail property, together with any incidental improvements on such Property operated in connection therewith and (b) that is leased to a commercial tenant pursuant to a Triple Net Lease.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Non-Domestic Property” means a Property located outside a state, territory or commonwealth of the United States of America (including without limitation Puerto Rico and the U.S. Virgin Islands) or the District of Columbia, but excluding the Staybridge Suites located at 225 South Park, Thornhill, Ontario, Canada, and the Intercontinental Hotel located at 220 Bloor Street West, Toronto, Ontario, Canada.

“Nonrecourse Indebtedness” means, with respect to a Person, Indebtedness for borrowed money in respect of which recourse for payment (except for customary exceptions for fraud, misapplication of funds, environmental indemnities, voluntary bankruptcy, collusive involuntary bankruptcy and other similar customary exceptions to nonrecourse liability) is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness.

“Note” means a Revolving Note, a Term Note or a Swingline Note.

“Notice of Borrowing” means a notice substantially in the form of Exhibit C (or such other form reasonably acceptable to the Administrative Agent and containing the information required in such Exhibit) to be delivered to the Administrative Agent pursuant to Section 2.1.(b) evidencing the Borrower’s request for a borrowing of Revolving Loans.

“Notice of Continuation” means a notice substantially in the form of Exhibit D (or such other form reasonably acceptable to the Administrative Agent and containing the information required in such Exhibit) to be delivered to the Administrative Agent pursuant to Section 2.9. evidencing the Borrower’s request for the Continuation of a LIBOR Loan.

“Notice of Conversion” means a notice substantially in the form of Exhibit E (or such other form reasonably acceptable to the Administrative Agent and containing the information required in such Exhibit) to be delivered to the Administrative Agent pursuant to Section 2.10. evidencing the Borrower’s request for the Conversion of a Loan from one Type to another Type.

“Notice of Swingline Borrowing” means a notice substantially in the form of Exhibit F (or such other form reasonably acceptable to the Administrative Agent and containing the information required in such Exhibit) to be delivered to the applicable Swingline Lender pursuant to Section 2.4.(b) evidencing the Borrower’s request for a Swingline Loan.

“Obligations” means, individually and collectively: (a) the aggregate principal balance of, and all accrued and unpaid interest on, all Loans; (b) all Reimbursement Obligations and all other Letter of Credit Liabilities; and (c) all other indebtedness, liabilities, obligations, covenants and duties of the Borrower and the other Loan Parties owing to the Administrative Agent, any Issuing Bank or any Lender of every kind, nature and description, under or in respect of this Agreement or any of the other Loan Documents, including, without limitation, the Fees and indemnification obligations, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any promissory note. For the avoidance of doubt, “Obligations” shall not include Specified Derivatives Obligations.

“Off-Balance Sheet Obligations” means liabilities and obligations of the Borrower, any Subsidiary or any other Person in respect of “off-balance sheet arrangements” (as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated under the Securities Act) which the Borrower would be required to disclose in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section of the Borrower’s report on Form 10-Q or Form 10-K (or their equivalents) which the Borrower is required to file with the Securities and Exchange Commission (or any Governmental Authority substituted therefor).

“OFAC” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“Operating Agreement” means any Lease or Management Agreement.

“Operator” means the (sub)lessee or manager of a Property pursuant to an Operating Agreement, provided that (x) unless the Administrative Agent otherwise approves or (y) such Operating Agreement is a transaction with an Affiliate permitted by Section 9.8., any such (sub)lessee or manager which is a TRS or other Subsidiary of the Borrower or an Affiliate of the Borrower (including, without limitation, RMR, or any Managing Trustee) shall be deemed not to be an “Operator” for purposes of this Agreement.

“Operator Deposits” means the following: (a) any cash or Cash Equivalent that secures the payment of Base Payments, an Operator’s obligations under such Operator’s Operating Agreement or the obligations of a manager or franchisor under an Ancillary Agreement (including, without limitation, any cash or Cash Equivalent deposited in connection with a Guaranty of an Operator’s obligations under an Operating Agreement or of the payment of Base Payments); or (b) the total amount of any deferred purchase price payable by the Borrower or any of its Subsidiaries to an Operator or an Operator’s Affiliates, against which purchase price the Borrower or such Subsidiary, as applicable, is entitled, pursuant to such Operator’s Operating Agreement, to offset Base Payments, damages resulting from such Operator’s default under its Operating Agreement or from a default by a manager or franchisor under an Ancillary Agreement.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 4.6.).

“Other Property” means an income producing Property (a) that is not a Hotel, Travel Center or Net Lease Retail Property, (b) the improvements on which consist of industrial developments, office space and other commercial developments (but excluding residential developments), together with any incidental improvements on such Property operated in connection therewith and (c) that is leased to a commercial tenant pursuant to a Triple Net Lease.

“Owner” means the Borrower or a Subsidiary in its capacity as (sub)lessor or owner pursuant to an Operating Agreement.

“Ownership Share” means, with respect to any Subsidiary of a Person (other than a Wholly Owned Subsidiary) or any Unconsolidated Affiliate of a Person, the greater of (a) such Person’s relative nominal direct and indirect ownership interest (expressed as a percentage) in such Subsidiary or Unconsolidated Affiliate or (b) subject to compliance with Section 8.4.(k), such Person’s relative direct and indirect economic interest (calculated as a percentage) in such Subsidiary or Unconsolidated Affiliate determined in accordance with the applicable provisions of the declaration of trust, articles or certificate of incorporation, articles of organization, partnership agreement, joint venture agreement or other applicable organizational document of such Subsidiary or Unconsolidated Affiliate.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“Participant” has the meaning given that term in Section 12.5.(d).

“Participant Register” has the meaning given that term in Section 12.5.(d).

“Patriot Act” means ~~The United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism~~ the USA PATRIOT Act ~~of 2001~~ (Title III of Pub. L. ~~No.~~ 107-56 (signed into law October 26, 2001)).

“PBGC” means the Pension Benefit Guaranty Corporation and any successor agency.

“Permitted Capital Expenditures” has the meaning given that term in Section 9.11(b).

“Permitted Liens” means, as to any Person: (a) Liens securing (x) taxes, assessments and other charges or levies imposed by any Governmental Authority (excluding any Lien imposed pursuant to any of the provisions of ERISA) or (y) the claims of materialmen, mechanics, carriers, warehousemen or landlords for labor, materials, supplies or rentals incurred in the ordinary course of business, in each case, (i) which are not at the time required to be paid or discharged under Section 7.6., or (ii) if such Lien is the responsibility of a financially responsible Operator to discharge; (b) Liens consisting of deposits or pledges made, in the ordinary course of business, in connection with, or to secure payment of, obligations under workers’ compensation, unemployment insurance or similar Applicable Laws; (c) Liens consisting of encumbrances in the nature of zoning restrictions, easements, and rights or restrictions of record on the use of real property, which do not materially detract from the value of such property or impair the use thereof in the business of such Person and, in the case of the Borrower or any Subsidiary, Liens granted by any tenant on its leasehold estate in a Property which are subordinate to the interest of the Borrower or a Subsidiary in such Property; (d) Liens in existence as of the Agreement Date and set forth in Part II of Item 6.1.(f) of the Borrower Letter; (e) deposits to secure trade contracts (other than for Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business; (f) the lessor’s interest in property leased to the Borrower or any of its Subsidiaries pursuant to a lease permitted by this Agreement; (g) the interests of tenants, operators or managers of Properties; (h) Liens on any assets of a TRS in favor of the Borrower or any other Subsidiary; (i) Liens in favor of the Administrative Agent for the benefit of the Lenders, the Issuing Banks and the Specified Derivatives Providers pursuant to the Loan Documents; (j) Liens which are also secured by restricted cash or Cash Equivalents of equal or greater value; (k) Liens securing judgments not constituting an Event of Default under Section 10.1.(h); (l) Liens (i) of a collection bank arising under Section 4-210 of the UCC on items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business, and (iii) in favor of a banking or other financial institution arising as a matter of law or under customary general terms and conditions encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry; (m) Liens (i) on earnest money deposits in connection with purchases and sales of properties, (ii) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to this Agreement, or (iii) consisting of an agreement to dispose of any property; (n) Liens in favor of the Borrower or any of its Subsidiaries; and (o) Liens arising from precautionary UCC financing statement filings regarding operating leases entered into by the Borrower or any of its Subsidiaries in the ordinary course of business.

“Person” means any natural person, corporation, limited partnership, general partnership, joint stock company, limited liability company, limited liability partnership, joint venture, association, company, trust, bank, trust company, land trust, business trust or other organization, whether or not a legal entity, or any other nongovernmental entity, or any Governmental Authority.

“Plan” means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code and either (a) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (b) has at any time within the preceding six years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

“Pledge Agreement” means the Pledge Agreement, a form of which is attached as Exhibit M hereto, executed and delivered by the applicable Loan Parties on the Second Amendment Effective Date, together with each joinder agreement and supplement executed and delivered in connection therewith, as the same may be amended, restated, supplemented, or otherwise modified from time to time.

“Pledged Interests” has the meaning assigned to such term in the Pledge Agreement.

“Pledgor” means any Person that is party to the Pledge Agreement as a “Pledgor”.

“PNC” means PNC Bank, National Association.

“Post-Default Rate” means, in respect of any principal of any Loan, any Reimbursement Obligation or any other Obligation, a rate per annum equal to the Base Rate as in effect from time to time plus the Applicable Margin for Term Loans that are Base Rate Loans plus two percent (2.0%).

“Post-Temporary Waiver Period Compliance Date” means the earliest to occur of (i) the date upon which the Borrower delivers to the Administrative Agent a Compliance Certificate in accordance with Section 8.3 evidencing compliance with Section 9.1 as of June 30, 2021 and (ii) following the Temporary Waiver Period Termination Date, the date upon which the Borrower delivers to the Administrative Agent evidence reasonably satisfactory to the Administrative Agent demonstrating the Borrower’s pro forma compliance with the financial covenants set forth in Section 9.1(a) and Section 9.1(d) (each as adjusted pursuant to the last paragraph of Section 9.1) using pro forma projections based upon results through the most recently ended period for which such financial information is available to the Borrower.

“Preferred Dividends” means, for any given period and without duplication, all Restricted Payments accrued or paid (and in the case of Restricted Payments paid, which were not accrued during a prior period) during such period on Preferred Stock issued by the Borrower or a Subsidiary. Preferred Dividends shall not include dividends or distributions (a) paid or payable solely in Equity Interests (other than Mandatorily Redeemable Stock) payable to holders of such class of Equity Interests; (b) paid or payable to the Borrower or a Subsidiary; or (c) constituting or resulting in the redemption of Preferred Stock, other than scheduled redemptions not constituting balloon, bullet or similar redemptions in full.

“Preferred Stock” means, with respect to any Person, Equity Interests in such Person which are entitled to preference or priority over any other Equity Interest in such Person in respect of the payment of dividends or distribution of assets upon liquidation or both.

“Prime Rate” means, at any time, the rate of interest per annum publicly announced from time to time by the Lender acting as the Administrative Agent as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in such prime rate occurs. The rate announced publicly by the Administrative Agent as its prime rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks. If the Prime Rate determined as provided above would be less than fifty basis points (0.50%), then the Prime Rate shall be deemed to be fifty basis points (0.50%).

“Principal Office” means the office of the Administrative Agent located at 600 South 4th St., 9th Floor, Minneapolis, Minnesota 55415, or any other subsequent office that the Administrative Agent shall have specified as the Principal Office by written notice to the Borrower and the Lenders.

“Pro Rata Share” means, as to each Lender, the ratio, expressed as a percentage of (a) (i) the amount of such Lender’s Commitments plus (ii) the amount of such Lender’s outstanding Term Loan to (b) (i) the aggregate amount of the Commitments of all Lenders plus (ii) the aggregate amount of all outstanding Term Loans; provided, however, that if at the time of determination the Revolving Commitments have terminated or been reduced to zero, the “Pro Rata Share” of each Lender shall be the ratio, expressed as a percentage of (A) the sum of the unpaid principal amount of all outstanding Revolving Loans, Term Loans, Swingline Loans and Letter of Credit Liabilities owing to such Lender as of such date to (B) the sum of the aggregate unpaid principal amount of all outstanding Revolving Loans, Term Loans, Swingline Loans and Letter of Credit Liabilities of all Lenders as of such date. For purposes of this definition, a Revolving Lender (other than the applicable Swingline Lender with respect to such Swingline Loan) shall be deemed to hold a Swingline Loan and a Revolving Lender (other than the applicable Issuing Bank with respect to such Letter of Credit) shall be deemed to hold a Letter of Credit Liability, in each case, to the extent such Revolving Lender has acquired a participation therein under the terms of this Agreement and has not failed to perform its obligations in respect of such participation. If at the time of determination the Commitments have terminated and there are no outstanding Loans or Letter of Credit Liabilities, then the Pro Rata Shares of the Lenders shall be determined as of the most recent date on which Commitments were in effect or Loans or Letters of Credit Liabilities were outstanding.

“Property” means any parcel of real property, together with all improvements thereon, owned or leased pursuant to a Ground Lease by the Borrower or any Subsidiary.

“Property Management Agreement” means that certain Second Amended and Restated Property Management Agreement dated as of June 5, 2015, as amended to date, by and among RMR and the Borrower, on behalf of itself and its Subsidiaries.

“Qualified Notes Issuance” means a single issuance by the Borrower of unsecured notes in an aggregate principal amount of at least \$500,000,000 with an initial term of at least three (3) years, and in respect of which no scheduled principal repayments or other mandatory prepayments are required to be paid, nor will be paid, by the Borrower within the first three (3) years following the date of issuance thereof.

“Qualified Plan” means a Benefit Arrangement that is intended to be tax-qualified under Section 401(a) of the Internal Revenue Code.

“Rating Agency” means S&P, Moody’s or any other nationally recognized securities rating agency selected by the Borrower and approved of by the Administrative Agent in writing.

“RBC” means Royal Bank of Canada.

“Recipient” means (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, as applicable.

“Register” has the meaning given that term in Section 12.5.(c).

“Regulatory Change” means, with respect to any Lender, any change effective after the Agreement Date in Applicable Law (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) or the adoption or making after such date of any interpretation, directive or request applying to a class of banks, including such Lender, of or under any Applicable Law (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) by any Governmental Authority or monetary authority charged with the interpretation or administration thereof or compliance by any Lender with any request or directive regarding capital adequacy or liquidity. Notwithstanding anything herein to the contrary, (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (b) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Regulatory Change”, regardless of the date enacted, adopted, implemented, or issued.

“Reimbursement Obligation” means the absolute, unconditional and irrevocable obligation of the Borrower to reimburse an Issuing Bank for any drawing honored by such Issuing Bank under a Letter of Credit.

“REIT” means a Person qualifying for treatment as a “real estate investment trust” under the Internal Revenue Code.

“RMR” means The RMR Group LLC, together with its successors and permitted assigns.

“RMR Inc.” means The RMR Group Inc., a Maryland corporation, together with its successors and permitted assigns.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Replacement Rate” has the meaning assigned thereto in Section 4.2.(b).

“Requisite Lenders” means, as of any date, (a) Lenders having more than 50% of the aggregate amount of the Commitments and the outstanding Term Loans of all Lenders, or (b) if the Revolving Commitments have been terminated or reduced to zero, Lenders holding more than 50% of the principal amount of the aggregate outstanding Loans and Letter of Credit Liabilities; provided that (i) in determining such percentage at any given time, all then

existing Defaulting Lenders will be disregarded and excluded and (ii) at all times when two or more Lenders (excluding Defaulting Lenders) are party to this Agreement, the term “Requisite Lenders” shall in no event mean less than two Lenders. For purposes of this definition, a Revolving Lender (other than the applicable Swingline Lender with respect to such Swingline Loan) shall be deemed to hold a Swingline Loan and a Revolving Lender (other than the applicable Issuing Bank with respect to such Letter of Credit Liability) shall be deemed to hold a Letter of Credit Liability, in each case, to the extent such Revolving Lender has acquired a participation therein under the terms of this Agreement and has not failed to perform its obligations in respect of such participation.

“Requisite Revolving Lenders” means, as of any date, (a) Revolving Lenders having more than 50% of the aggregate amount of the Revolving Commitments of all Revolving Lenders, or (b) if the Revolving Commitments have been terminated or reduced to zero, the Revolving Lenders holding more than 50% of the principal amount of the aggregate outstanding Revolving Loans, Swingline Loans and Letter of Credit Liabilities; provided that (i) in determining such percentage at any given time, all then existing Defaulting Lenders that are Revolving Lenders will be disregarded and excluded, and (ii) at all times when two or more Revolving Lenders (excluding Defaulting Lenders that are Revolving Lenders) are party to this Agreement, the term “Requisite Revolving Lenders” shall in no event mean less than two Revolving Lenders. For purposes of this definition, a Revolving Lender (other than the applicable Swingline Lender with respect to such Swingline Loan) shall be deemed to hold a Swingline Loan and a Revolving Lender (other than the applicable Issuing Bank with respect to such Letter of Credit Liability) shall be deemed to hold a Letter of Credit Liability, in each case, to the extent such Revolving Lender has acquired a participation therein under the terms of this Agreement and has not failed to perform its obligations in respect of such participation.

“Requisite Term Loan Lenders” means, as of any date, Term Loan Lenders having more than 50% of the aggregate outstanding principal amount of the Term Loans; provided that (a) in determining such percentage at any given time, all then existing Defaulting Lenders that are Term Loan Lenders will be disregarded and excluded, and (b) at all times when two or more Term Loan Lenders (excluding Defaulting Lenders that are Term Loan Lenders) are party to this Agreement, the term “Requisite Term Loan Lenders” shall in no event mean less than two Term Loan Lenders.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means (a) with respect to the Borrower, the Borrower’s President or Treasurer or any Managing Trustee of the Borrower and (b) with respect to any other Loan Party, such Loan Party’s chief executive officer or chief financial officer.

“Restricted Payment” means (a) any dividend or other distribution, direct or indirect, on account of any Equity Interest of the Borrower or any of its Subsidiaries now or hereafter outstanding, except a dividend or distribution payable solely in shares of that class of Equity Interests to the holders of that class; (b) any redemption, conversion, exchange, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any Equity Interest of the Borrower or any of its Subsidiaries now or hereafter outstanding; and (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any Equity Interests of the Borrower or any of its Subsidiaries now or hereafter outstanding.

“Revolving Commitment” means, as to each Lender (other than the Swingline Lenders), such Lender’s obligation to make Revolving Loans pursuant to Section 2.1., to issue (in the case of the Issuing Banks) and to participate (in the case of the other Lenders) in Letters of Credit pursuant to Section 2.3.(i), and to participate in Swingline Loans pursuant to Section 2.4.(e), in an amount up to, but not exceeding the amount set forth for such Lender on Schedule I as such Lender’s “Revolving Commitment Amount” or as set forth in any applicable Assignment and Assumption or agreement executed by a Person becoming a Revolving Lender in accordance with Section 2.16., as the same may be reduced from time to time pursuant to Section 2.12. or increased or reduced as appropriate to reflect any assignments to or by such Lender effected in accordance with Section 12.5. or increased as appropriate to reflect any increase effected in accordance with Section 2.16.

“Revolving Commitment Percentage” means, as to each Revolving Lender, the ratio, expressed as a percentage, of (a) the amount of such Lender’s Revolving Commitment to (b) the aggregate amount of the Revolving Commitments of all Revolving Lenders; provided, however, that if at the time of determination the Revolving Commitments have been terminated or been reduced to zero, the “Revolving Commitment Percentage” of each Revolving Lender shall be the “Revolving Commitment Percentage” of such Revolving Lender in effect immediately prior to such termination or reduction.

“Revolving Credit Exposure” means, as to any Revolving Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Revolving Lender’s participation in Letter of Credit Liabilities and Swingline Loans at such time.

“Revolving Lender” means a Lender having a Revolving Commitment or, if the Revolving Commitments have terminated, holding any Revolving Loans.

“Revolving Loan” means a loan made by a Revolving Lender to the Borrower pursuant to Section 2.1.(a).

“Revolving Note” means a promissory note of the Borrower substantially in the form of Exhibit G, payable to the order of a Revolving Lender in a principal amount equal to the amount of such Revolving Lender’s Revolving Commitment.

“Revolving Termination Date” means July 15, 2022, or such later date to which the Revolving Termination Date may be extended pursuant to Section 2.13.

“Sanctioned Country” means, at any time, a country, region or territory which is; itself (or whose government is;) the subject or target of any Sanctions (including, as of the Effective Date, Cuba, Iran, North Korea, Syria and Crimea).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by ~~any Governmental Authority of the United States of America, including without limitation, OFAC or~~OFAC (including OFAC’s Specially Designated Nationals and Blocked Persons List and OFAC’s Consolidated Non-SDN List), the U.S. Department of State, ~~or by~~ the United Nations Security Council, the European Union ~~or~~, any ~~other Governmental Authority~~European member state, Her Majesty’s Treasury, or other relevant sanctions authority, (b) any Person ~~located~~, operating, organized or resident in a Sanctioned Country, (c) ~~an agency, political subdivision or instrumentality of the government of~~any Person owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any such Person or Persons described in clauses (a) and (b), including a Person that is deemed by OFAC to be a Sanctions target based on the ownership of such legal entity by Sanctioned ~~County~~Person(s) or (d) any Person ~~Controlled by any Person or agency described in any of the preceding clauses (a) through (c)~~otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

“Sanctions” means any and all economic or financial sanctions ~~or~~, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws, including but not limited to those imposed, administered or enforced ~~by any Governmental Authority of the United States of America, including without limitation,~~from time to time by the U.S. government (including those administered by OFAC or the U.S. Department of State), ~~or by~~ the United Nations Security Council, the European Union ~~or any other Governmental Authority~~, any European member state, Her Majesty’s Treasury, or other relevant sanctions authority in any jurisdiction (a) in which the Borrower or any of its Subsidiaries or Affiliates is located or conducts business, (b) in which any of the proceeds of the Loans will be used, or (c) from which repayment of the Loans will be derived.

“Second Amendment” means that certain Second Amendment to Second Amended and Restated Credit Agreement, dated as of May 8, 2020, among the Borrower, the Lenders party thereto and the Administrative Agent.

“Second Amendment Effective Date” has the meaning assigned to such term in the Second Amendment.

“Secured Indebtedness” means, with respect to a Person as of any given date, the aggregate principal amount of all Indebtedness of such Person outstanding on such date and that is secured in any manner by any Lien on any property and, in the case of the Borrower and its Subsidiaries, shall include (without duplication) the Borrower’s Ownership Share of the Secured Indebtedness of its Unconsolidated Affiliates.

“Securities Act” means the Securities Act of 1933, as amended from time to time, together with all rules and regulations issued thereunder.

“Solvent” means, when used with respect to any Person, that (a) the fair value and the fair salable value of its assets (excluding any Indebtedness due from any Affiliate of such Person) are each in excess of the fair valuation of its total liabilities (including all contingent liabilities computed at the amount which, in light of all facts and circumstances existing at such time, represents the amount that could reasonably be expected to become an actual and matured liability); (b) such Person is able to pay its debts or other obligations in the ordinary course as they mature; and (c) such Person has capital not unreasonably small to carry on its business and all business in which it proposes to be engaged.

“Sonesta Hotels” means the Hotels listed on Schedule 1.1(d).

“Specified Derivatives Contract” means any Derivatives Contract, together with any Derivatives Support Document relating thereto, that is made or entered into at any time, or in effect at any time now or hereafter, whether as a result of an assignment or transfer or otherwise, between the Borrower or any Subsidiary of the Borrower and any Specified Derivatives Provider.

“Specified Derivatives Obligations” means all indebtedness, liabilities, obligations, covenants and duties of the Borrower or its Subsidiaries under or in respect of any Specified Derivatives Contract, whether direct or indirect, absolute or contingent, due or not due, liquidated or unliquidated, and whether or not evidenced by any written confirmation.

“Specified Derivatives Provider” means any Lender, or any Affiliate of a Lender that is a party to a Derivatives Contract at the time the Derivatives Contract is entered into.

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, or any successors.

“Stated Amount” means the amount available to be drawn by a beneficiary under a Letter of Credit from time to time, as such amount may be increased or reduced from time to time in accordance with the terms of such Letter of Credit; provided, however, with respect to any Letter of Credit that, by its terms or the terms of any application related thereto, provides for one or more automatic increases in the Stated Amount thereof, the Stated Amount of such Letter of Credit shall be deemed to be the maximum Stated Amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum Stated Amount is in effect at such time.

“Stimulus Transaction” means any loans, equity investments, grants or other transactions pursuant to which the Borrower, any of its Subsidiaries or any Unconsolidated Affiliate thereof receives funds in connection with any federal COVID-19 stimulus legislation, including, without limitation, any loan made pursuant any program implemented by the “Coronavirus Aid, Relief, and Economic Security Act” or the “CARES Act”, or any similar program now or hereafter in effect.

“Subsidiary” means, for any Person, any corporation, partnership, limited liability company or other entity of which at least a majority of the Equity Interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other individuals performing similar functions of such corporation, partnership, limited liability company or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person, and shall include all Persons the accounts of which are consolidated with those of such Person pursuant to GAAP.

“Swingline Commitment” means, with respect to a Swingline Lender, such Swingline Lender’s obligation to make Swingline Loans pursuant to Section 2.4. in an amount up to, but not exceeding, the amount provided for such Swingline Lender in the first sentence of Section 2.4.(a), as such amount may be reduced from time to time in accordance with the terms hereof.

“Swingline Lender” means each of Wells Fargo, Bank of America, N.A., PNC and RBC, each in its capacity as a Lender to make Swingline Loans pursuant to Section 2.4., together with its respective successors and assigns. Any reference to “the Swingline Lender” herein shall be deemed to refer to each Swingline Lender, any Swingline Lender, the applicable Swingline Lender or all Swingline Lenders, as the context may require.

“Swingline Loan” means a loan made by a Swingline Lender to the Borrower pursuant to Section 2.4.

“Swingline Maturity Date” means the date which is five (5) Business Days prior to the Revolving Termination Date.

“Swingline Note” means a promissory note of the Borrower substantially in the form of Exhibit H, payable to the order of each Swingline Lender in a principal amount equal to the amount of the Swingline Commitment as originally in effect and otherwise duly completed.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Temporary Waiver Period” means the period beginning on the Second Amendment Effective Date and ending on the Temporary Waiver Period Termination Date.

“Temporary Waiver Period Termination Date” means March 31, 2021.

“Term Loan” means a loan made by a Term Loan Lender to the Borrower pursuant to Section 2.2.

“Term Loan Commitment” means, as to each Term Loan Lender, such Lender’s obligation to make a Term Loan on the Effective Date pursuant to Section 2.2., in an amount up to, but not exceeding, the amount set forth for such Lender on Schedule I as such Lender’s “Term Loan Commitment Amount”.

“Term Loan Lender” means a Lender having a Term Loan Commitment, or if the Term Loan Commitments have terminated, a Lender holding a Term Loan.

“Term Loan Maturity Date” means July 15, 2023.

“Term Loan Percentage” means, as to each Term Loan Lender, the ratio, expressed as a percentage, of (a) the amount of such Lender’s Term Loan Commitment to (b) the aggregate amount of the Term Loan Commitments of all Term Lenders; provided, however, that if at the time of determination the Term Loan Commitments have been terminated or been reduced to zero, the “Term Loan Percentage” of each Term Lender shall be the ratio, expressed as a percentage, of (i) the unpaid principal amount of the Term Loan owing to such Lender as of such date to (ii) the aggregate unpaid principal amount of all outstanding Term Loans as of such date.

“Term Note” means a promissory note of the Borrower substantially in the form of Exhibit I, payable to the order of a Term Loan Lender in a principal amount equal to the amount of such Term Loan Lender’s Term Loan.

“Titled Agent” has the meaning given in Section 11.9.

“Total Asset Value” means, on any date of determination, the sum of the following (without duplication) of the Borrower and its Subsidiaries for the four fiscal quarters most recently ended: (a)(i) with respect to all Properties owned (or leased pursuant to a Ground Lease) by the Borrower or any Subsidiary for one or more fiscal quarters, Adjusted EBITDA attributable to such Properties for such period divided by (ii) the applicable Capitalization Rate;

(b) the purchase price paid for any Property acquired during such period (less any amounts paid as a purchase price adjustment, held in escrow, retained as a contingency reserve, or other similar arrangements but including amounts retained as Operator Deposits and prior to allocations of property purchase prices pursuant to FASB ASC 805 and the like); provided that (x) once any such Property is included in the determination of Total Asset Value pursuant to the preceding clause (a) it may not thereafter be included under this clause (b) and (y) any Property the value of which was determined under clause (a) of this definition in the Existing Credit Agreement may not be valued under this clause (b); (c) the value of the Borrower's equity Investments in RMR Inc. as of the end of such period, such value determined at Fair Market Value; (d) all cash and cash equivalents as of the end of such period; (e) accounts receivable that are not (i) owing in excess of 90 days as of the end of such period or (ii) being contested in writing by the obligor in respect thereof (in which case only such portion being contested shall be excluded from Total Asset Value); (f) prepaid taxes and operating expenses as of the end of such period; (g) the book value of all Developable Property and Assets Under Development as of the end of such period; (h) the book value of all other tangible assets (excluding land or other real property) as of the end of such period; (i) the book value of all Mortgage Notes as of the end of such period; and (j) the Borrower's Ownership Share of the preceding items (other than those referred to in clause (c)) of any Unconsolidated Affiliate of the Borrower. For purposes of determining Total Asset Value, to the extent the amount of Total Asset Value attributable to (v) Unconsolidated Affiliates would exceed 10.0% of Total Asset Value, (w) Assets Under Development (determined as the aggregate Construction Budget for all such Assets Under Development) would exceed 15.0% of Total Asset Value, (x) Properties subject to a ground lease would exceed 15.0% of Total Asset Value, (y) Mortgage Receivables Notes would exceed 5.0% of Total Asset Value and (z) Unimproved Land would exceed 5.0% of Total Asset Value, in each case, such excess shall be excluded. For purposes of determining Total Asset Value, to the extent the aggregate value of the items described in the immediately preceding clauses (v), (w), (x), (y) and (z) would account for more than 30% of Total Asset Value, such excess shall be excluded. To the extent that the value of the Borrower's equity Investments in RMR Inc. would in the aggregate account for more than 3.0% of Total Asset Value, such excess shall be excluded. Notwithstanding the foregoing, for purposes of determining Total Asset Value at any time, (i) the Borrower may, in addition to the Properties referred to in the immediately preceding clause (b), include the purchase price paid for any Property acquired during the period following the end of the fiscal quarter most recently ended through the time of such determination (less any amounts paid as a purchase price adjustment, held in escrow, retained as a contingency reserve, or other similar arrangements at the time of such determination, but including amounts retained as Operator Deposits and prior to allocations of property purchase prices pursuant to FASB ASC 805 and the like, each at the time of such determination); provided, that if the Borrower elects to include the purchase price paid for any Property acquired during the period following the end of the fiscal quarter most recently ended through the time of such determination as permitted by this clause (i), then the Borrower must exclude from the determination of Total Asset Value the Adjusted EBITDA, the purchase price or the book value, as applicable, of any Property disposed of by the Borrower during such period and (ii) for purposes of the immediately preceding clause (d), the amount of cash and cash equivalents shall be calculated as of such date of determination rather than as of the end of the fiscal quarter most recently ended.

"Total Indebtedness" means, as of a given date, all liabilities of the Borrower and its Subsidiaries which would, in conformity with GAAP, be properly classified as a liability on a consolidated balance sheet of the Borrower and its Subsidiaries as of such date (excluding allocations of property purchase prices pursuant to FASB ASC 805 and the like), and in any event shall include (without duplication): (a) all Indebtedness of the Borrower and its Subsidiaries, (b) the Borrower's Ownership Share of Indebtedness of its Unconsolidated Affiliates, (c) the aggregate amount of all Operator Deposits (other than those Operator Deposits held by the Borrower or a Wholly Owned Subsidiary in connection with Operating Agreements for which a monetary default exists and has existed for a period of 30 days or more) and (d) net obligations of the Borrower and its Subsidiaries under any Derivatives Contracts not entered into as a hedge against existing Indebtedness, in an amount equal to the Derivatives Termination Value thereof.

"Trading with the Enemy Act" has the meaning given to that term in Section 6.1 (y).

"Travel Center" means a Property that is (a) developed as a travel related facility and, with respect to any Property acquired after the Agreement Date, conforms with, and is of a type consistent with, the Travel Centers owned by the Borrower and its Subsidiaries as of the Agreement Date, and (b) leased to an Operator pursuant to a Triple Net Lease.

“Triple Net Lease” means a Lease under which a single tenant leases all or substantially all of the rentable area of a Property where the tenant is responsible for payment of real estate taxes and assessments, repairs and maintenance, insurance, capital expenditures and other expenses relating to the operation of such Property customary for such Leases.

“TRS” means any direct or indirect Subsidiary of the Borrower that is classified as a “taxable REIT subsidiary” under Section 856(l) of the Internal Revenue Code.

“Type” with respect to any Revolving Loan or Term Loan, refers to whether such Loan or portion thereof is a LIBOR Loan or a Base Rate Loan.

“UCC” means the Uniform Commercial Code as in effect in any applicable jurisdiction.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unconsolidated Affiliate” means, with respect to any Person, any other Person in whom such Person holds an Investment, which Investment is accounted for in the financial statements of such Person on an equity basis of accounting and whose financial results would not be consolidated under GAAP with the financial results of such Person on the consolidated financial statements of such Person. Notwithstanding the foregoing, neither of RMR Inc. and Sonesta Holdco Corporation shall ~~not~~ be considered to be an Unconsolidated Affiliate of the Borrower or any of its Subsidiaries.

“Unencumbered Asset” means each Property, whether Hotel, Travel Center, Net Lease Retail Property or Other Property, that satisfies all of the following requirements: (a) such Property is (i) owned in fee simple solely by the Borrower or a Wholly Owned Subsidiary or (ii) leased solely by the Borrower or a Wholly Owned Subsidiary pursuant to a Ground Lease; (b) such Property is not an Asset Under Development and is in service; (c) neither such Property, nor any interest of the Borrower or such Wholly Owned Subsidiary therein, is subject to any Lien (other than Permitted Liens of the types described in clauses (a) through (c) and (e) through (j) of the definition thereof) or to any Negative Pledge, other than Negative Pledges permitted pursuant to Section 9.2.(b)(iii) and Section 9.2.(b)(iv); (d) neither such Property, nor if such Property is owned or leased by a Subsidiary, any of the ~~Borrower's~~Borrower's direct or indirect ownership interest in such Subsidiary, is subject to (i) any Lien (other than Permitted Liens of the types described in clauses (a) through (c) or (e) through (j) of the definition thereof) or (ii) any Negative Pledge, other than Negative Pledges permitted pursuant to Section 9.2.(b)(iii) and Section 9.2.(b)(iv); (e) if such Property is owned or leased by a Subsidiary, such Subsidiary has not directly or indirectly guaranteed or assumed liability for any Indebtedness of any Subsidiary except lessee deposits for which a Subsidiary is responsible; (f) such Property is free of structural defects or major architectural deficiencies, title defects, environmental conditions or other adverse matters which, individually or collectively, materially impair the value of such Property; (g) such Property shall be subject to agreements containing terms and conditions which provide the Borrower or a Subsidiary with substantially the same benefits and risks as Operating Agreements and Ancillary Agreements of Unencumbered Assets as of the Agreement Date, or otherwise on commercially reasonable terms and conditions; (h) the lessee or operator is not more than 60 days past due with respect to any payment obligations under any Lease or Operating Agreement for such Property (after taking into account application of any security deposit); ~~and~~ (i) such Property (i) has been designated by the Borrower as an “Unencumbered Asset” on Item 6.1.(z) of the Borrower Letter or on an Unencumbered Asset Certificate delivered by the Borrower to the Administrative Agent pursuant to Section 8.3. and (ii) has not been removed voluntarily by the Borrower from “Unencumbered Assets”; and (j) regardless of whether such Property is owned or leased by the Borrower or a Wholly Owned Subsidiary, the Borrower has the right, directly or indirectly through a Subsidiary, to take the following actions without the need to obtain the consent of any Person (in each case, other than the consent of any

Person required pursuant to the terms of any applicable Operating Agreement): (i) to create Liens on such Property (or its leasehold interest therein, as applicable) as security for Indebtedness of the Borrower or such Subsidiary, as applicable, and (ii) to sell, transfer or otherwise dispose of such Property (or its leasehold interest therein, as applicable). Notwithstanding the immediately preceding sentence, a Property owned by a Foreign Subsidiary that is a Wholly Owned Subsidiary will be considered to be an Unencumbered Asset so long as: (1) such Property is (i) owned in fee simple (or the legal equivalent in the jurisdiction where such Property is located) by such Foreign Subsidiary or (ii) leased solely by such Foreign Subsidiary pursuant to a long-term lease having terms and conditions reasonably acceptable to the Administrative Agent; (2) all of the issued and outstanding Equity Interests of such Foreign Subsidiary are legally and beneficially owned by one or more of the Borrower and Wholly Owned Subsidiaries; (3) such Foreign Subsidiary has no Indebtedness other than (x) Nonrecourse Indebtedness and (y) other Indebtedness in an aggregate outstanding principal amount of less than 2.0% of the value of the assets of such Foreign Subsidiary (such value to be determined in a manner consistent with the definition of Total Asset Value or, if not contemplated under the definition of Total Asset Value, in a manner acceptable to the Administrative Agent); (4) neither such Property, nor any interest of such Foreign Subsidiary therein, is subject to any Lien (other than Permitted Liens of the types described in clauses (a) through (c) or (e) through (j) of the definition thereof) or to any Negative Pledge, other than Negative Pledges permitted pursuant to Section 9.2.(b)(iii) and Section 9.2.(b)(iv); and (5) such Property satisfies the requirements set forth in the immediately preceding clauses (b), (c), (d), (e), (f), (g), (h) and (i).

“**Unencumbered Asset Certificate**” has the meaning given that term in Section 8.3.

“**Unencumbered Asset Value**” means, on any date of determination, the sum of: (a) unrestricted cash of the Borrower and its Subsidiaries; (b)(i) Adjusted EBITDA for the four fiscal quarters most recently ended attributable to Unencumbered Assets owned or leased by the Borrower or any Subsidiary for one or more fiscal quarters of the Borrower divided by (ii) the applicable Capitalization Rate; (c) the purchase price paid for any Unencumbered Asset acquired during such period (less any amounts paid as a purchase price adjustment, held in escrow, retained as a contingency reserve, or other similar arrangements); provided that (x) once any such Unencumbered Asset is included in the determination of Unencumbered Asset Value pursuant to the preceding clause (b) it may not thereafter be included under this clause (c) and (y) any Unencumbered Asset the value of which was determined under clause (b) of this definition in the Existing Credit Agreement may not be valued under this clause (c); (d) the book value of all Unencumbered Mortgage Notes of the Borrower and its Subsidiaries (excluding any Unencumbered Mortgage Note (i) where the obligor is more than 30 days past due with respect to any payment obligation or (ii) secured by a Non-Domestic Property); and (e) the value of the Equity Interests in RMR Inc. owned by the Borrower, such value determined at Fair Market Value, so long as such Equity Interests are not subject to any Liens (other than Permitted Liens of the types described in clauses (a) through (c) or clauses (e) through (j) of the definition thereof) or to any Negative Pledge (other than certain Negative Pledges permitted under clause (iv) of Section 9.2(b)). To the extent that (w) the sum of the book value of Unencumbered Mortgage Notes would, in the aggregate, account for more than 10.0% of Unencumbered Asset Value, such excess shall be excluded; (x) Properties leased by the Borrower or a Wholly Owned Subsidiary pursuant to a Ground Lease having a remaining term of less than 30 years (taking into account extensions which may be effected by the lessee without the consent of the lessor) would, in the aggregate, account for more than 10.0% of Unencumbered Asset Value, such excess shall be excluded; (y) Non-Domestic Properties would, in the aggregate, account for more than 20.0% of Unencumbered Asset Value, such excess shall be excluded; and (z) Other Properties would, in the aggregate, account for more than 20.0% of Unencumbered Asset Value, such excess shall be excluded. In addition, to the extent that the value of the Equity Interests of RMR Inc. owned by the Borrower would in the aggregate account for more than 3.0% of Unencumbered Asset Value, such excess shall be excluded. If an Unencumbered Asset or Unencumbered Mortgage Note is not owned as of the last day of a quarter then such asset shall be excluded from the foregoing calculations. Notwithstanding the foregoing, for purposes of determining Unencumbered Asset Value at any time, (i) the Borrower may, in addition to the Unencumbered Assets referred to in the immediately preceding clause (c), include the purchase price paid for any Unencumbered Asset acquired during the period following the end of the fiscal quarter most recently ended through the time of such determination (less any such amounts paid during such period as a purchase price adjustment or held in escrow at the time of such determination, retained as a contingency reserve at the time of such determination, or subject to other similar arrangements, each at the time of such determination); provided, that if the Borrower elects to include the purchase price paid for any Unencumbered Asset acquired during the period following the end of the fiscal quarter most recently ended through

the time of such determination as permitted by this clause (i), then the Borrower must exclude from the determination of Unencumbered Asset Value Adjusted EBITDA or the purchase price, as applicable, of any Unencumbered Asset disposed of by the Borrower during such period and (ii) for purposes of the immediately preceding clause (a), the amount of unrestricted cash shall be calculated as of such date of determination rather than as of the end of the fiscal quarter most recently ended.

“Unencumbered EBITDA” means, for a given period the sum of (a) the aggregate Adjusted EBITDA attributable to the Unencumbered Assets and Unencumbered Mortgage Notes and (b) cash dividends received by the Borrower or any of its Subsidiaries from RMR Inc. during such period; provided that for purposes of this definition, revenues of an applicable Person during any applicable period constituting payments or accruals for payments of amounts more than 60 days past due and any related reserves shall be excluded in the calculation of such Person’s EBITDA for such period.

“Unencumbered Mortgage Note” means a Mortgage Note that satisfies all of the following requirements: (a) neither such Mortgage Note, nor any interest of the Borrower or any Subsidiary therein, is subject to any Lien (other than Permitted Liens of the types described in clauses (a) through (c) or (e) through (j) of the definition thereof or Liens in favor of the Borrower a Subsidiary) or to any Negative Pledge, other than Negative Pledges permitted pursuant to Section 9.2.(b)(iv); (b) if such promissory note is owned by a Subsidiary, (i) none of the Borrower’s direct or indirect ownership interest in such Subsidiary is subject to any Lien (other than Permitted Liens of the types described in clauses (a) through (c) or (e) through (j) of the definition thereof or Liens in favor of the Borrower or a Subsidiary) or to any Negative Pledge and (ii) the Borrower directly, or indirectly through a Subsidiary, has the right to sell, transfer or otherwise dispose of such Mortgage Note without the need to obtain the consent of any Person; (c) such real property and related improvements are not subject to any other Lien (other than Permitted Liens of the types described in clauses (a) through (c) or (e) through (j) of the definition thereof or Liens in favor of the Borrower or a Subsidiary) and (d) such promissory note has been designated by the Borrower as an “Unencumbered Mortgage Note” on Item 6.1.(z) of the Borrower Letter or on an Unencumbered Asset Certificate delivered by the Borrower to the Administrative Agent pursuant to Section 8.3..

“Unimproved Land” means land on which no development (other than improvements that are not material and are temporary in nature) has occurred.

“Unsecured Debt Service” means, for a given period, Debt Service for such period with respect to Unsecured Indebtedness of the Borrower and its Subsidiaries.

“Unsecured Indebtedness” means, with respect to a Person as of any given date, the aggregate principal amount of all Indebtedness of such Person outstanding at such date that is not Secured Indebtedness (excluding Indebtedness associated with Unconsolidated Affiliates that is not Guaranteed by ~~a Loan Party~~ **the Borrower or any of its Subsidiaries**) and in the case of the Borrower shall include (without duplication) Indebtedness that does not constitute Secured Indebtedness. Indebtedness secured solely by a pledge of Equity Interests in a Subsidiary owning one or more Properties which is also recourse to the Borrower or a Subsidiary shall not be treated as Secured Indebtedness.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Internal Revenue Code.

“Wells Fargo” means Wells Fargo Bank, National Association, and its successors and assigns.

“Wholly Owned Subsidiary” means any Subsidiary of a Person in respect of which all of the Equity Interests (other than, in the case of a corporation, directors’ qualifying shares) are at the time directly or indirectly owned ~~or~~ **and** controlled by such Person or one or more other Subsidiaries of such Person or by such Person and one or more other Subsidiaries of such Person.

“Withdrawal Liability” means any liability as a result of a complete or partial withdrawal from a Multiemployer Plan as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“**Withholding Agent**” means (a) the Borrower, (b) any other Loan Party and (c) the Administrative Agent, as applicable.

“**Write-Down and Conversion Powers**” means: (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule; and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.1.2. General; References to Eastern Time.

Unless otherwise indicated, all accounting terms, ratios and measurements shall be interpreted or determined in accordance with GAAP in effect as of the Agreement Date. Notwithstanding the preceding sentence, (x) the calculation of liabilities shall not include any fair value adjustments to the carrying value of liabilities to record such liabilities at fair value pursuant to electing the fair value option election under FASB ASC 825-10-25 ~~or~~ (formerly known as FAS 159, The Fair Value Option for Financial Assets and Financial Liabilities) or other standards of the Financial Accounting Standards Board allowing entities to elect fair value option for financial liabilities and (y) for purposes of calculating the covenants under this Agreement or any other Loan Document, any obligations of a Person under a lease (whether existing on the Agreement Date or entered into thereafter) that is not (or would not be) required to be classified and accounted for as a capitalized lease on a balance sheet of such Person prepared in accordance with GAAP as in effect on the Agreement Date shall not be treated as a capitalized lease pursuant to this Agreement or the other Loan Documents solely as a result of (1) the adoption of changes in GAAP after the Agreement Date (including, for the avoidance of doubt, any changes in GAAP as set forth in FASB ASC 842 (as the same may be amended from time to time)) or (2) changes in the application of GAAP after the Agreement Date (including the avoidance of doubt, any changes as set forth in FASB ASC 842 (as the same may be amended from time to time)); provided, however, that upon the request of the Administrative Agent or any Lender the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to any such adoption of changes in, or the application of, GAAP. References in this Agreement to “Sections”, “Articles”, “Exhibits” and “Schedules” are to sections, articles, exhibits and schedules herein and hereto unless otherwise indicated. references in this Agreement to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, to the extent permitted hereby and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, supplemented, restated or otherwise modified from time to time to the extent not otherwise stated herein or prohibited hereby and in effect at any given time. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter. Unless explicitly set forth to the contrary, a reference to “Subsidiary” means a Subsidiary of the Borrower or a Subsidiary of such Subsidiary and a reference to an “Affiliate” means a reference to an Affiliate of the Borrower. Titles and captions of Articles, Sections, subsections and clauses in this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement. Unless otherwise indicated, all references to time are references to Eastern time, daylight or standard, as applicable.

Section 1.1.3. Rates.

The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of “LIBOR” or with respect to any rate that is an alternative or replacement for or successor to any such rate or the effect of any of the foregoing.

Section 1.4. Divisions.

For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

~~Article~~ARTICLE II. Credit Facility

Section 2.1. Revolving Loans.

(a) Making of Revolving Loans. Subject to the terms and conditions set forth in this Agreement, including without limitation, Section 2.15., each Revolving Lender severally and not jointly agrees to make Revolving Loans in Dollars to the Borrower during the period from and including the Effective Date to but excluding the Revolving Termination Date, in an aggregate principal amount at any one time outstanding up to, but not exceeding, such Lender's Revolving Commitment. Each borrowing of Revolving Loans that are to be Base Rate Loans shall be in an aggregate minimum amount of \$1,000,000 and integral multiples of \$500,000 in excess thereof. Each borrowing and Continuation under Section 2.9. of Revolving Loans that are LIBOR Loans, and each Conversion under Section 2.10. of Revolving Loans that are Base Rate Loans into LIBOR Loans, shall be in an aggregate minimum of \$1,000,000 and integral multiples of \$1,000,000 in excess of that amount. Notwithstanding the immediately preceding two sentences but subject to Section 2.15., a borrowing of Revolving Loans may be in the aggregate amount of the unused Revolving Commitments. Within the foregoing limits and subject to the terms and conditions of this Agreement, the Borrower may borrow, repay and reborrow Revolving Loans.

(b) Requests for Revolving Loans. Not later than 11:00 a.m. Eastern time at least one (1) Business Day prior to a borrowing of Revolving Loans that are to be Base Rate Loans and not later than 11:00 a.m. Eastern time at least three (3) Business Days prior to a borrowing of Revolving Loans that are to be LIBOR Loans, the Borrower shall deliver to the Administrative Agent a Notice of Borrowing. Each Notice of Borrowing shall specify the aggregate principal amount of the Revolving Loans to be borrowed, the date such Revolving Loans are to be borrowed (which must be a Business Day), the use of the proceeds of such Revolving Loans, the Type of the requested Revolving Loans, and if such Revolving Loans are to be LIBOR Loans, the initial Interest Period for such Revolving Loans. Each Notice of Borrowing shall be irrevocable once given and binding on the Borrower. Prior to delivering a Notice of Borrowing, the Borrower may (without specifying whether a Revolving Loan will be a Base Rate Loan or a LIBOR Loan) request that the Administrative Agent provide the Borrower with the most recent LIBOR available to the Administrative Agent. The Administrative Agent shall provide such quoted rate to the Borrower on the date of such request or as soon as possible thereafter.

(c) Funding of Revolving Loans. Promptly after receipt of a Notice of Borrowing under the immediately preceding subsection (b), the Administrative Agent shall notify each Revolving Lender of the proposed borrowing. Each Revolving Lender shall deposit an amount equal to the Revolving Loan to be made by such Revolving Lender to the Borrower with the Administrative Agent at the Principal Office, in immediately available funds not later than 12:00 p.m. Eastern time on the date of such proposed Revolving Loans. Subject to fulfillment of all applicable conditions set forth herein, the Administrative Agent shall make available to the Borrower in the account specified in the Disbursement Instruction Agreement, not later than 2:00 p.m. Eastern time on the date of the requested borrowing of Revolving Loans, the proceeds of such amounts received by the Administrative Agent.

(d) Assumptions Regarding Funding by Revolving Lenders. With respect to Revolving Loans to be made after the Effective Date, unless the Administrative Agent shall have been notified by any Revolving Lender that such Lender will not make available to the Administrative Agent a Revolving Loan to be made by such Lender in connection with any borrowing, the Administrative Agent may assume that such Lender will make the proceeds of such Revolving Loan available to the Administrative Agent in accordance with this Section, and the Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower the amount of such

Revolving Loan to be provided by such Lender. In such event, if such Lender does not make available to the Administrative Agent the proceeds of such Revolving Loan on the date and at the time specified in Section 2.1.(c), then such Lender and the Borrower severally agree to pay to the Administrative Agent on demand the amount of such Revolving Loan with interest thereon, for each day from and including the date such Revolving Loan is made available to the Borrower but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. Notwithstanding the prior sentence, if any Revolving Lender shall fail to make available to the Administrative Agent the proceeds of a Revolving Loan on the date and at the time specified in Section 2.1.(c) but shall make such proceeds available to the Administrative Agent at a later time on such date, such Lender shall pay to the Administrative Agent one day's worth of interest computed in accordance with clause (i) of the immediately preceding sentence, unless such Lender can provide evidence reasonably satisfactory to the Administrative Agent that such Lender has timely made such proceeds available to the Administrative Agent, including, without limitation, a Fed Reference Number screen shot evidencing the date and time such Lender's wire was sent. If the Borrower and such Lender shall pay the amount of such interest to the Administrative Agent for the same or overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays to the Administrative Agent the amount of such Revolving Loan, the amount so paid shall constitute such Lender's Revolving Loan included in the borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Revolving Lender that shall have failed to make available the proceeds of a Revolving Loan to be made by such Lender.

Section ~~2.1~~2.2. Term Loans.

Pursuant to the Existing Credit Agreement, certain of the Term Loan Lenders made Term Loans denominated in Dollars to the Borrower. The Borrower hereby agrees and acknowledges that as of the Effective Date, the outstanding principal balance of the Term Loans is \$400,000,000 and shall for all purposes hereunder constitute and be referred to as Term Loans hereunder, without constituting a novation, but in all cases subject to the terms and conditions applicable to Term Loans hereunder. Any portion of a Term Loan that is repaid or prepaid may not be reborrowed.

Section ~~2.1~~2.3. Letters of Credit.

(a) Letters of Credit. Subject to the terms and conditions of this Agreement, including without limitation, Section 2.15., each Issuing Bank, on behalf of the Revolving Lenders, agrees to issue for the account of the Borrower (which may be issued in support of obligations of any Subsidiary of the Borrower) during the period from and including the Effective Date to, but excluding, the date 30 days prior to the Revolving Termination Date, one or more standby letters of credit (each a "**Letter of Credit**") up to a maximum aggregate Stated Amount at any one time outstanding not to exceed \$50,000,000 as such amount may be reduced from time to time in accordance with the terms hereof (the "**L/C Commitment Amount**"); provided, that an Issuing Bank shall not be obligated to issue any Letter of Credit if, after giving effect to such issuance, the aggregate Stated Amount of the outstanding Letters of Credit issued by such Issuing Bank would exceed the lesser of (i) 25.0% of the L/C Commitment Amount and (ii) the Revolving Commitment of such Issuing Bank in its capacity as a Revolving Lender. The parties hereto agree that the Existing Letters of Credit shall be deemed to be Letters of Credit for all purposes of this Agreement.

(b) Terms of Letters of Credit. At the time of issuance, the amount, form, terms and conditions of each Letter of Credit, and of any drafts or acceptances thereunder, shall be subject to approval by the applicable Issuing Bank and the Borrower. Notwithstanding the foregoing, in no event may (i) the expiration date of any Letter of Credit extend beyond the Revolving Termination Date, or (ii) any Letter of Credit have an initial duration in excess of one year; provided, however, a Letter of Credit may contain a provision providing for the automatic extension of the expiration date in the absence of a notice of non-renewal from the applicable Issuing Bank but in no event shall any such provision permit the extension of the expiration date of such Letter of Credit beyond the Revolving Termination Date. Notwithstanding the foregoing, a Letter of Credit may, as a result of its express terms or as the result of the effect of an automatic extension provision, have an expiration date of not more than one year beyond the Revolving Termination Date (any such Letter of Credit being referred to as an "Extended Letter of Credit") so long as the Borrower delivers to the Administrative Agent for the benefit of the applicable Issuing Bank and the Revolving Lenders no later

than 30 days prior to the Revolving Termination Date, Cash Collateral for such Letter of Credit for deposit into the Letter of Credit Collateral Account in an amount equal to the Stated Amount of such Letter of Credit; provided, that the obligations of the Borrower under this Section in respect of Extended Letters of Credit shall survive the termination of this Agreement and shall remain in effect until no Extended Letters of Credit remain outstanding. If the Borrower fails to provide Cash Collateral with respect to any Extended Letter of Credit by the date 30 days prior to the Revolving Termination Date, such failure shall be treated as a drawing under such Extended Letter of Credit (in an amount equal to the maximum Stated Amount of such Letter of Credit), which shall be reimbursed (or participations therein funded) by the Revolving Lenders in accordance with the immediately following subsections (i) and (j), with the proceeds being utilized to provide Cash Collateral for such Letter of Credit. The initial Stated Amount of each Letter of Credit shall be at least \$500,000 (or such lesser amount as may be acceptable to the applicable Issuing Bank, the Administrative Agent and the Borrower).

(c) Requests for Issuance of Letters of Credit. The Borrower shall give an Issuing Bank and the Administrative Agent written notice at least five (5) Business Days prior to the requested date of issuance of a Letter of Credit, such notice to describe in reasonable detail the proposed terms of such Letter of Credit and the nature of the transactions or obligations proposed to be supported by such Letter of Credit, and in any event shall set forth with respect to such Letter of Credit the proposed (i) initial Stated Amount, (ii) beneficiary, and (iii) expiration date. The Borrower shall also execute and deliver such customary applications and agreements for standby letters of credit, and other forms as requested from time to time by the applicable Issuing Bank. Provided the Borrower has given the notice prescribed by the first sentence of this subsection and delivered such applications and agreements referred to in the preceding sentence, subject to the other terms and conditions of this Agreement, including the satisfaction of any applicable conditions precedent set forth in Article V., the applicable Issuing Bank shall issue the requested Letter of Credit on the requested date of issuance for the benefit of the stipulated beneficiary but in no event shall such Issuing Bank be required to issue the requested Letter of Credit prior to the date five (5) Business Days (or such shorter time period as may be acceptable to the applicable Issuing Bank) following the date after which such Issuing Bank has received all of the items, if any, required to be delivered to it under this subsection. An Issuing Bank shall not at any time be obligated to issue any Letter of Credit if such issuance would conflict with, or cause such Issuing Bank or any Revolving Lender to exceed any limits imposed by, any Applicable Law. References herein to “issue” and derivations thereof with respect to Letters of Credit shall also include extensions or modifications of any outstanding Letters of Credit, unless the context otherwise requires. Upon the written request of the Borrower, the applicable Issuing Bank shall deliver to the Borrower a copy of each issued Letter of Credit issued by it within a reasonable time after the date of issuance thereof. To the extent any term of a Letter of Credit Document is inconsistent with a term of any Loan Document, the term of such Loan Document shall control.

(d) Reimbursement Obligations. Upon receipt by an Issuing Bank from the beneficiary of a Letter of Credit issued by such Issuing Bank of any demand for payment under such Letter of Credit and such Issuing Bank’s determination that such demand for payment complies with the requirements of such Letter of Credit, such Issuing Bank shall promptly notify the Borrower and the Administrative Agent of the amount to be paid by such Issuing Bank as a result of such demand and the date on which payment is to be made by such Issuing Bank to such beneficiary in respect of such demand; provided, however, that an Issuing Bank’s failure to give, or delay in giving, such notice shall not discharge the Borrower in any respect from the applicable Reimbursement Obligation. The Borrower hereby absolutely, unconditionally and irrevocably agrees to pay and reimburse each Issuing Bank for the amount of each demand for payment under each Letter of Credit issued by such Issuing Bank at or prior to the date on which payment is to be made by such Issuing Bank to the beneficiary thereunder, without presentment, demand, protest or other formalities of any kind ~~(other than as provided in this subsection)~~. Upon receipt by an Issuing Bank of any payment in respect of any Reimbursement Obligation, such Issuing Bank shall promptly pay to the Administrative Agent for the account of each Revolving Lender that has acquired a participation therein under the second sentence of the immediately following subsection (i) such Lender’s Revolving Commitment Percentage of such payment.

(e) Manner of Reimbursement. Upon its receipt of a notice referred to in the immediately preceding subsection (d), the Borrower shall advise the Administrative Agent and the applicable Issuing Bank whether or not the Borrower intends to borrow hereunder to finance its obligation to reimburse such Issuing Bank for the amount of the related demand for payment and, if it does, the Borrower shall submit a timely request for such borrowing as provided in the applicable provisions of this Agreement. If the Borrower fails to so advise the Administrative Agent and the

applicable Issuing Bank, or if the Borrower fails to reimburse the applicable Issuing Bank for a demand for payment under a Letter of Credit by the date of such payment, the failure of which the applicable Issuing Bank shall promptly notify the Administrative Agent, then (i) if the applicable conditions contained in Article V. would permit the making of Revolving Loans, the Borrower shall be deemed to have requested a borrowing of Revolving Loans (which shall be Base Rate Loans) in an amount equal to the unpaid Reimbursement Obligation and the Administrative Agent shall give each Revolving Lender prompt notice of the amount of the Revolving Loan to be made available to the Administrative Agent not later than 12:00 p.m. Eastern time and (ii) if such conditions would not permit the making of Revolving Loans, the provisions of subsection (j) of this Section shall apply. The limitations set forth in the second sentence of Section 2.1.(a) shall not apply to any borrowing of Base Rate Loans under this subsection.

(f) Effect of Letters of Credit on Revolving Commitments. Upon the issuance by an Issuing Bank of a Letter of Credit and until such Letter of Credit shall have expired or been cancelled, the Revolving Commitment of each Revolving Lender shall be deemed to be utilized for all purposes of this Agreement in an amount equal to the product of (i) such Revolving Lender's Revolving Commitment Percentage and (ii) the sum of (A) the Stated Amount of such Letter of Credit plus (B) any related Reimbursement Obligations then outstanding.

(g) Issuing Banks' Duties Regarding Letters of Credit; Unconditional Nature of Reimbursement Obligations. In examining documents presented in connection with drawings under Letters of Credit and making payments under Letters of Credit issued by an Issuing Bank against such documents, such Issuing Bank shall only be required to use the same standard of care as it uses in connection with examining documents presented in connection with drawings under letters of credit in which it has not sold participations and making payments under such letters of credit. The Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, none of the Issuing Banks, the Administrative Agent or any of the Lenders shall be responsible for, and the Borrower's obligations in respect of Letters of Credit shall not be affected in any manner by, (i) the form, validity, sufficiency, accuracy, genuineness or legal effects of any document submitted by any party in connection with the application for and issuance of or any drawing honored under any Letter of Credit even if such document should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit, or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) failure of the beneficiary of any Letter of Credit to comply fully with conditions required in order to draw upon such Letter of Credit; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, facsimile, electronic mail, telecopy or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit, or of the proceeds thereof; (vii) the misapplication by the beneficiary of any Letter of Credit, or of the proceeds of any drawing under any Letter of Credit; or (viii) any consequences arising from causes beyond the control of the Issuing Banks, the Administrative Agent or the Lenders. None of the above shall affect, impair or prevent the vesting of any of the Issuing Banks', the Administrative Agent's or any Lender's rights or powers hereunder. Any action taken or omitted to be taken by an Issuing Bank under or in connection with any Letter of Credit issued by such Issuing Bank, if taken or omitted in the absence of gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final, non-appealable judgment), shall not create against such Issuing Bank any liability to the Borrower, the Administrative Agent or any Lender. In this connection, the obligation of the Borrower to reimburse an Issuing Bank for any drawing made under any Letter of Credit issued by such Issuing Bank, and to repay any Revolving Loan made pursuant to the second sentence of the immediately preceding subsection (e), shall be absolute, unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement and any other applicable Letter of Credit Document under all circumstances whatsoever, including without limitation, the following circumstances: (A) any lack of validity or enforceability of any Letter of Credit Document or any term or provisions therein; (B) any amendment or waiver of or any consent to departure from all or any of the Letter of Credit Documents; (C) the existence of any claim, setoff, defense or other right which the Borrower may have at any time against such Issuing Bank, any other Issuing Bank, the Administrative Agent, any Lender, any beneficiary of a Letter of Credit or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or in the Letter of Credit Documents or any unrelated transaction; (D) any breach of contract or dispute between the Borrower, such Issuing Bank, any other Issuing Bank, the Administrative Agent, any Lender or any other Person; (E) any demand,

statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein or made in connection therewith being untrue or inaccurate in any respect whatsoever; (F) any non-application or misapplication by the beneficiary of a Letter of Credit or of the proceeds of any drawing under such Letter of Credit; (G) payment by such Issuing Bank under any Letter of Credit against presentation of a draft or certificate which does not strictly comply with the terms of such Letter of Credit; and (H) any other act, omission to act, delay or circumstance whatsoever that might, but for the provisions of this Section, constitute a legal or equitable defense to or discharge of the Borrower's Reimbursement Obligations. Notwithstanding anything to the contrary contained in this Section or Section 12.9., but not in limitation of the Borrower's unconditional obligation to reimburse an Issuing Bank for any drawing made under a Letter of Credit as provided in this Section and to repay any Revolving Loan made pursuant to the second sentence of the immediately preceding subsection (e), the Borrower shall have no obligation to indemnify the Administrative Agent, an Issuing Bank or any Lender in respect of any liability incurred by the Administrative Agent, an Issuing Bank or such Lender arising solely out of the gross negligence or willful misconduct of the Administrative Agent, such Issuing Bank or such Lender in respect of a Letter of Credit as determined by a court of competent jurisdiction in a final, non-appealable judgment. Except as otherwise provided in this Section, nothing in this Section shall affect any rights the Borrower may have with respect to the gross negligence or willful misconduct of the Administrative Agent, an Issuing Bank or any Lender with respect to any Letter of Credit.

(h) Amendments, Etc. The issuance by an Issuing Bank of any amendment, supplement or other modification to any Letter of Credit issued by such Issuing Bank shall be subject to the same conditions applicable under this Agreement to the issuance of new Letters of Credit (including, without limitation, that the request therefor be made through the applicable Issuing Bank and the Administrative Agent), and no such amendment, supplement or other modification shall be issued unless either (i) the respective Letter of Credit affected thereby would have complied with such conditions had it originally been issued hereunder in such amended, supplemented or modified form or (ii) the Administrative Agent and the applicable Revolving Lenders, if any, required by Section 12.6. shall have consented thereto. In connection with any such amendment, supplement or other modification, the Borrower shall pay the fees, if any, payable under the last sentence of Section 3.5.(c).

(i) Revolving Lenders' Participation in Letters of Credit. Immediately upon (i) the Effective Date with respect to all Existing Letters of Credit and (ii) the date of issuance by an Issuing Bank of any Letter of Credit, each Revolving Lender shall be deemed to have absolutely, irrevocably and unconditionally purchased and received from the applicable Issuing Bank, without recourse or warranty, an undivided interest and participation to the extent of such Lender's Revolving Commitment Percentage of the liability of such Issuing Bank with respect to such Letter of Credit and each Revolving Lender thereby shall absolutely, unconditionally and irrevocably assume, as primary obligor and not as surety, and shall be unconditionally obligated to such Issuing Bank to pay and discharge when due, to the extent and in the manner set forth in the immediately following subsection (j) below, such Lender's Revolving Commitment Percentage of such Issuing Bank's liability under such Letter of Credit. In addition, upon the making of each payment by a Revolving Lender to the Administrative Agent for the account of an Issuing Bank in respect of any Letter of Credit issued by it pursuant to the immediately following subsection (j), such Lender shall, automatically and without any further action on the part of such Issuing Bank, the Administrative Agent or such Lender, acquire (i) a participation in an amount equal to such payment in the Reimbursement Obligation owing to such Issuing Bank by the Borrower in respect of such Letter of Credit and (ii) a participation in a percentage equal to such Lender's Revolving Commitment Percentage in any interest or other amounts payable by the Borrower in respect of such Reimbursement Obligation (other than the Fees payable to such Issuing Bank pursuant to the second and the last sentences of Section 3.5.(c)).

(j) Payment Obligation of Revolving Lenders. Each Revolving Lender severally agrees to pay to the Administrative Agent, for the account of each Issuing Bank, on demand in immediately available funds in Dollars the amount of such Lender's Revolving Commitment Percentage of each drawing paid by such Issuing Bank under each Letter of Credit issued by it to the extent such amount is not reimbursed by the Borrower pursuant to the immediately preceding subsection (d); provided, however, that in respect of any drawing under any Letter of Credit, the maximum amount that any Revolving Lender shall be required to fund, whether as a Revolving Loan or as a participation, shall not exceed such Lender's Revolving Commitment Percentage of such drawing except as otherwise provided in Section 3.9.(d). If the notice referenced in the second sentence of Section 2.3.(e) is received by a Revolving Lender not later than 12:00 p.m. Eastern time, then such Lender shall make such payment available to the Administrative Agent not later than 2:00 p.m. Eastern time on the date of demand therefor; otherwise, such payment shall be made

available to the Administrative Agent not later than 12:00 p.m. Eastern time on the next succeeding Business Day. Each Revolving Lender's obligation to make such payments to the Administrative Agent under this subsection, and the Administrative Agent's right to receive the same for the account of the applicable Issuing Bank, shall be absolute, irrevocable and unconditional and shall not be affected in any way by any circumstance whatsoever, including without limitation, (i) the failure of any other Revolving Lender to make its payment under this subsection, (ii) the financial condition of the Borrower or any other Loan Party, (iii) the existence of any Default or Event of Default, including any Event of Default described in Section 10.1.(e) or (f), (iv) the termination of the Commitments or (v) the delivery of Cash Collateral in respect of any Extended Letter of Credit. Each such payment to the Administrative Agent for the account of the applicable Issuing Bank shall be made without any offset, abatement, withholding or deduction whatsoever.

(k) Information to Revolving Lenders. Promptly following any change in Letters of Credit outstanding, the applicable Issuing Bank shall deliver to the Administrative Agent, which shall promptly deliver the same to each Revolving Lender and the Borrower, a notice describing the aggregate amount of all Letters of Credit issued by such Issuing Bank outstanding at such time. Upon the request of any Revolving Lender from time to time, an Issuing Bank shall deliver any other information reasonably requested by such Lender with respect to such Letter of Credit then outstanding. Other than as set forth in this subsection, the Issuing Banks and the Administrative Agent shall have no duty to notify the Lenders regarding the issuance or other matters regarding Letters of Credit issued hereunder. The failure of any Issuing Bank or the Administrative Agent to perform its requirements under this subsection shall not relieve any Revolving Lender from its obligations under the immediately preceding subsection (j).

(l) Extended Letters of Credit. Each Revolving Lender confirms that its obligations under the immediately preceding subsections (i) and (j) shall be reinstated in full and apply if the delivery of any Cash Collateral in respect of an Extended Letter of Credit is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise.

Section ~~2.1~~2.4. Swingline Loans.

(a) Swingline Loans. Subject to the terms and conditions hereof, including without limitation Section 2.15., each Swingline Lender severally and not jointly agrees to make Swingline Loans to the Borrower, during the period from the Effective Date to but excluding the Swingline Maturity Date, in an aggregate principal amount at any one time outstanding up to, but not exceeding, the lesser (such lesser amount being referred to as the "Swingline Availability" of a given Swingline Lender) of (i) \$18,750,000 and (ii) the commitment of such Swingline Lender in its capacity as a Revolving Lender minus the aggregate outstanding principal amount of the Revolving Loans made by such Swingline Lender. If at any time the aggregate principal amount of the Swingline Loans made by a Swingline Lender outstanding at such time exceeds the Swingline Availability of such Swingline Lender at such time, the Borrower shall immediately pay the Administrative Agent for the account of such Swingline Lender the amount of such excess. The borrowing of a Swingline Loan shall constitute usage of the Revolving Commitments, in an amount equal to (i) for each Revolving Lender other than the Swingline Lender making such Swingline Loan, each such Revolving Lender's Revolving Commitment Percentage, multiplied by the outstanding amount of such Swingline Loan and (ii) for the applicable Swingline Lender making such Swingline Loan, the outstanding amount of such Swingline Loan. Subject to the terms and conditions of this Agreement, the Borrower may borrow, repay and reborrow Swingline Loans hereunder.

(b) Procedure for Borrowing Swingline Loans. The Borrower shall give the Administrative Agent and the Swingline Lender selected by the Borrower to make a Swingline Loan notice pursuant to a Notice of Swingline Borrowing or telephonic notice of each borrowing of a Swingline Loan. Each Notice of Swingline Borrowing shall be delivered to the applicable Swingline Lender and the Administrative Agent no later than 2:00 p.m. Eastern time on the proposed date of such borrowing. Any telephonic notice shall include all information to be specified in a written Notice of Swingline Borrowing and shall be promptly confirmed in writing by the Borrower pursuant to a Notice of Swingline Borrowing sent to such Swingline Lender and the Administrative Agent by telecopy on the same day of the giving of such telephonic notice. On the date of the requested Swingline Loan and subject to satisfaction of the applicable conditions set forth in Section 5.2. for such borrowing, the applicable Swingline Lender will make the

proceeds of such Swingline Loan available to the Administrative Agent at its Principal Office in Dollars, in immediately available funds, for the account of the Borrower. The amount so received by the Administrative Agent shall, subject to satisfaction of the applicable conditions set forth in Section 5.2. for such borrowing, be made available to the Borrower not later than 11:00 a.m. on such date if the applicable Swingline Lender and the Administrative Agent received such Notice of Swingline Borrowing by 9:00 a.m. on such date, and otherwise not later than 4:00 p.m. on such date, at the account specified by the Borrower in the Notice of Swingline Borrowing.

(c) Interest. Swingline Loans shall bear interest at a per annum rate equal to the Base Rate as in effect from time to time plus the Applicable Margin for Revolving Loans or at such other rate or rates as the Borrower and the applicable Swingline Lender may agree (with written notice thereof to the Administrative Agent) from time to time in writing. Interest on a Swingline Loan is solely for the account of the Swingline Lender that made such Swingline Loan (except to the extent a Revolving Lender acquires a participating interest in such Swingline Loan pursuant to the immediately following subsection (e)). All accrued and unpaid interest on Swingline Loans shall be payable on the dates and in the manner provided in Section 2.5. with respect to interest on Base Rate Loans (except as the applicable Swingline Lender and the Borrower may otherwise agree in writing (with written notice thereof to the Administrative Agent) in connection with any particular Swingline Loan made by such Swingline Lender).

(d) Swingline Loan Amounts, Etc. Each Swingline Loan shall be in the minimum amount of \$1,000,000 and integral multiples of \$500,000 in excess thereof, or such other minimum amounts agreed to by a Swingline Lender and the Borrower. Any voluntary prepayment of a Swingline Loan must be in integral multiples of \$100,000 or the aggregate principal amount of all outstanding Swingline Loans (or such other minimum amounts upon which the Swingline Lender that made such Swingline Loan and the Borrower may agree) and in connection with any such prepayment, the Borrower must give the Swingline Lender that made such Swingline Loan and the Administrative Agent prior written notice thereof no later than 10:00 a.m. Eastern time on the date of such prepayment. The Swingline Loans owing to a Swingline Lender shall, in addition to this Agreement, be evidenced by a Swingline Note in favor of such Swingline Lender (unless such Swingline Lender shall have notified the Borrower and the Administrative Agent that such Swingline Lender does not want to receive a Swingline Note).

(e) Repayment and Participations of Swingline Loans. The Borrower agrees to repay each Swingline Loan within one Business Day of demand therefor by the Swingline Lender that made such Swingline Loan and, in any event, within five (5) Business Days after the date such Swingline Loan was made; provided, that the proceeds of a Swingline Loan may not be used to pay a Swingline Loan. Any Swingline Lender making demand for repayment of a Swingline Loan made by such Swingline Lender shall notify the Administrative Agent of such demand on the date on such demand is made. Notwithstanding the foregoing, the Borrower shall repay the entire outstanding principal amount of, and all accrued but unpaid interest on, the Swingline Loans on the Swingline Maturity Date (or such earlier date as the Swingline Lender that made such Swingline Loan and the Borrower may agree in writing (with notice thereof to the Administrative Agent)). In lieu of demanding repayment of any outstanding Swingline Loan from the Borrower, the Swingline Lender that made such Swingline Loan may, on behalf of the Borrower (which hereby irrevocably directs each applicable Swingline Lender to act on its behalf for such purpose), request a borrowing of Revolving Loans that are Base Rate Loans from the Revolving Lenders in an amount equal to the principal balance of such Swingline Loan. The amount limitations contained in the second sentence of Section 2.1.(a) shall not apply to any borrowing of such Revolving Loans made pursuant to this subsection. Such Swingline Lender shall give notice to the Administrative Agent of any such borrowing of Revolving Loans not later than 12:00 p.m. Eastern time on the proposed date of such borrowing. Promptly after receipt of such notice of borrowing of Revolving Loans from the Swingline Lender under the immediately preceding sentence, the Administrative Agent shall notify each Revolving Lender of the proposed borrowing. Not later than 2:00 p.m. Eastern time on the proposed date of such borrowing, each Revolving Lender will make available to the Administrative Agent at the Principal Office for the account of the applicable Swingline Lender, in immediately available funds, the proceeds of the Revolving Loan to be made by such Lender. The Administrative Agent shall pay the proceeds of such Revolving Loans to the applicable Swingline Lender, which shall apply such proceeds to repay such Swingline Loan. If the Revolving Lenders are prohibited from making Revolving Loans required to be made under this subsection for any reason whatsoever, including without limitation, the existence of any of the Defaults or Events of Default described in Sections 10.1.(e) or (f), each Revolving Lender shall purchase from the applicable Swingline Lender, without recourse or warranty, an undivided interest and participation to the extent of such Lender's Revolving Commitment Percentage of such Swingline Loan, by directly

purchasing a participation in such Swingline Loan in such amount and paying the proceeds thereof to the Administrative Agent for the account of the applicable Swingline Lender in Dollars and in immediately available funds. A Revolving Lender's obligation to purchase such a participation in a Swingline Loan shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including without limitation, (i) any claim of setoff, counterclaim, recoupment, defense or other right which such Lender or any other Person may have or claim against the Administrative Agent, any Swingline Lender or any other Person whatsoever, (ii) the occurrence or continuation of a Default or Event of Default (including without limitation, any of the Defaults or Events of Default described in Sections 10.1.(e) or (f)), or the termination of any Revolving Lender's Revolving Commitment, (iii) the existence (or alleged existence) of an event or condition which has had or could have a Material Adverse Effect, (iv) any breach of any Loan Document by the Administrative Agent, any Lender, the Borrower or any other Loan Party, or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If such amount is not in fact made available to the applicable Swingline Lender by any Revolving Lender, such Swingline Lender shall be entitled to recover such amount on demand from such Lender, together with accrued interest thereon for each day from the date of demand thereof, at the Federal Funds Rate. If such Lender does not pay such amount forthwith upon the applicable Swingline Lender's demand therefor, and until such time as such Lender makes the required payment, applicable Swingline Lender shall be deemed to continue to have outstanding Swingline Loans in the amount of such unpaid participation obligation for all purposes of the Loan Documents (other than those provisions requiring the other Revolving Lenders to purchase a participation therein). Further, such Lender shall be deemed to have assigned any and all payments made of principal and interest on its Revolving Loans, and any other amounts due it hereunder, to the applicable Swingline Lender to fund Swingline Loans in the amount of the participation in Swingline Loans that such Lender failed to purchase pursuant to this Section until such amount has been purchased (as a result of such assignment or otherwise).

Section ~~2.4~~2.5. Rates and Payment of Interest on Loans.

(a) Rates. The Borrower promises to pay to the Administrative Agent for the account of each Lender interest on the unpaid principal amount of each Loan made by such Lender for the period from and including the date of the making of such Loan to but excluding the date such Loan shall be paid in full, at the following per annum rates:

(i) during such periods a Revolving Loan is a Base Rate Loan, at the Base Rate (as in effect from time to time), plus the Applicable Margin for Revolving Loans that are Base Rate Loans;

(ii) during such periods a Revolving Loan is a LIBOR Loan, at LIBOR for such Loan for the Interest Period therefor, plus the Applicable Margin for Revolving Loans that are LIBOR Loans;

(iii) during such periods a Term Loan is a Base Rate Loan, at the Base Rate (as in effect from time to time), plus the Applicable Margin for Term Loans that are Base Rate Loans; and

(iv) during such periods a Term Loan is a LIBOR Loan, at LIBOR for such Loan for the Interest Period therefor, plus the Applicable Margin for Term Loans that are LIBOR Loans.

Notwithstanding the foregoing, while an Event of Default exists, the Borrower shall pay to the Administrative Agent for the account of each Lender and each Issuing Bank, as the case may be, interest at the Post-Default Rate on the outstanding principal amount of any Loan made by such Lender, on all Reimbursement Obligations and on any other amount payable by the Borrower hereunder or under the Notes held by such Lender to or for the account of such Lender (including without limitation, accrued but unpaid interest to the extent permitted under Applicable Law).

(b) Payment of Interest. All accrued and unpaid interest on the outstanding principal amount of each Loan shall be payable (i) monthly in arrears on the first day of each month, commencing with the first full calendar month occurring after the Effective Date and (ii) on any date on which the principal balance of such Loan is due and payable in full (whether at maturity, due to acceleration or otherwise). Interest payable at the Post-Default Rate shall be payable from time to time on demand. All determinations by the Administrative Agent of an interest rate hereunder shall be conclusive and binding on the Lenders and the Borrower for all purposes, absent manifest error.

(c) Borrower Information Used to Determine Applicable Interest Rates. The parties understand that the applicable interest rate for the Obligations and certain fees set forth herein may be determined and/or adjusted from

time to time based upon certain financial ratios and/or other information to be provided or certified to the Lenders by the Borrower (the “Borrower Information”). If it is subsequently determined that any such Borrower Information was incorrect (for whatever reason, including without limitation because of a subsequent restatement of earnings by the Borrower) at the time it was delivered to the Administrative Agent, and if the applicable interest rate or fees calculated for any period were lower than they should have been had the correct information been timely provided, then, such interest rate and such fees for such period shall be automatically recalculated using correct Borrower Information. The Administrative Agent shall promptly notify the Borrower in writing of any additional interest and fees due because of such recalculation, and the Borrower shall pay such additional interest or fees due to the Administrative Agent, for the account of each Lender, within five (5) Business Days of receipt of such written notice. Any recalculation of interest or fees required by this provision shall survive the termination of this Agreement, and this provision shall not in any way limit any of the Administrative Agent’s, any Issuing Bank’s, or any Lender’s other rights under this Agreement.

(d) Changes in Credit Rating.

(i) If a change in the Borrower’s Credit Rating (a “Credit Rating Change”) causes the Applicable Margin to increase and, within 90 days of the date of such Credit Rating Change the applicable Rating Agencies restore the Borrower’s original Credit Rating (and, as a result, the Applicable Margin is reduced to the level that existed on the date of such Credit Rating Change), the Borrower shall receive a credit for any increased interest and fees incurred by the Borrower under this Agreement during such 90 day period as a result of such Credit Rating Change, which such credit shall be applied against accrued interest and/or fees hereunder in a manner as may be satisfactory to the Borrower and the Administrative Agent.

(ii) If a Credit Rating Change causes the Applicable Margin to decrease and, within 90 days of the date of such Credit Rating Change the applicable Rating Agencies restore the Borrower’s original Credit Rating (and, as a result, the Applicable Margin is increased to the level that existed on the date of such Credit Rating Change), the Borrower shall, within 5 Business Days of the restoration of the Borrower’s original Credit Rating, pay to the Administrative Agent for the account of the Lenders, the amount of interest and fees that would have been payable during such 90 day period had the Credit Rating Change not occurred.

Section ~~2.1~~2.6. Number of Interest Periods.

There may be no more than 6 different Interest Periods for (a) Revolving Loans outstanding at the same time and (b) Term Loans outstanding at the same time.

Section ~~2.1~~2.7. Repayment of Loans.

(a) Revolving Loans. The Borrower shall repay the entire outstanding principal amount of, and all accrued but unpaid interest on, the Revolving Loans on the Revolving Termination Date.

(b) Term Loans. The Borrower shall repay the entire outstanding principal amount of, and all accrued but unpaid interest on, the Term Loans on the Term Loan Maturity Date.

Section ~~2.1~~2.8. Prepayments.

(a) Optional. Subject to Section 4.4., the Borrower may prepay any Loan at any time without premium or penalty. The Borrower shall give the Administrative Agent at least three (3) Business Days prior written notice of the prepayment of any Loan. Each voluntary prepayment of Loans shall be in an aggregate minimum amount of \$1,000,000 and integral multiples of \$500,000 in excess thereof.

(b) Mandatory.

(i) Revolving Commitment Overadvance. If at any time the aggregate principal amount of all outstanding Revolving Loans and Swingline Loans, together with the aggregate amount of all Letter of Credit Liabilities, exceeds the aggregate amount of the Revolving Commitments, the Borrower shall immediately

upon demand pay to the Administrative Agent for the account of the Revolving Lenders, the amount of such excess.

(ii) Temporary Waiver Period. Subject to Section 2.8(b)(iii), no later than the third Business Day following the date of receipt by the Borrower, any of its Subsidiaries or Unconsolidated Affiliates of any Net Cash Proceeds at any time during the Temporary Waiver Period and continuing thereafter until the Post-Temporary Waiver Period Compliance Date, the Borrower shall (to the extent any Obligations remain outstanding) (A) give the Administrative Agent written notice of the receipt of such Net Cash Proceeds and (B) pay to the Administrative Agent one hundred percent (100%) of all such Net Cash Proceeds, which prepayment shall be applied in accordance with Section 2.8(b)(iv)(B).

(iii) Qualified Notes Issuance and Secured Debt.

(A) If the Borrower consummates a Qualified Notes Issuance and in connection therewith requests a release of the Equity Pledges in accordance with Section 9.14(c), then, no later than the third Business Day following the date of receipt by the Borrower of the Net Cash Proceeds from such issuance the Borrower shall (to the extent any Obligations remain outstanding) (1) give the Administrative Agent written notice of the receipt of such Net Cash Proceeds and (2) pay to the Administrative Agent one hundred percent (100%) of all such Net Cash Proceeds, which prepayment shall be applied in accordance with Section 2.8(b)(iv)(C).

(B) If any Subsidiary or Unconsolidated Affiliate of the Borrower incurs any secured Nonrecourse Indebtedness pursuant to Section 9.12(a)(iv)(y) prior to the Post-Temporary Waiver Period Compliance Date, then no later than the third Business Day following the date of receipt by the Borrower or any Subsidiary or Unconsolidated Affiliate of the Borrower, as applicable, of any Net Cash Proceeds therefrom, the Borrower shall (x) give the Administrative Agent written notice of the receipt of such Net Cash Proceeds and (y) apply all such Net Cash Proceeds as follows: (1) first, to repay the outstanding Term Loans, until paid in full, and (2) second, to repay the existing “4.25% Senior Notes due 2021” issued by the Borrower, in the original principal amount of \$400,000,000 with a stated maturity date of February 15, 2021 (the “4.25% Senior Notes”), until paid in full.

~~(iii)~~ (iv) Application of Mandatory Prepayments.

(A) Generally. Amounts paid under the preceding subsection (i) shall be applied to pay all amounts of principal outstanding on the Revolving Loans and Swingline Loans and any Reimbursement Obligations pro rata in accordance with Section 3.2. and if any Letters of Credit are outstanding at such time, the remainder, if any, shall be deposited into the Letter of Credit Collateral Account for application to any Reimbursement Obligations.

(B) Temporary Waiver Period. So long as no Event of Default has occurred and is continuing, amounts paid under the preceding subsection (ii) shall be applied as follows: (1) first, to repay the principal outstanding on Swingline Loans, from nearest Swingline Maturity Date to latest Swingline Maturity Date, to the full extent thereof, (2) second, to repay the principal outstanding on the Revolving Loans and any Reimbursement Obligations pro rata in accordance with Section 3.2. and then if any Letters of Credit are outstanding at such time, the undrawn amount thereof deposited into the Letter of Credit Collateral Account for application to any Reimbursement Obligations, in each such case, to the full extent thereof, (3) third, to repay principal outstanding on the Term Loans to the full extent thereof, (4) fourth, to repay all other outstanding Obligations hereunder, in the order and manner provided in Section 10.5, to the full extent thereof, and (5) fifth, after all Obligations have been repaid in full, to the Borrower either, at the Borrower’s discretion, (i) to repay any other unsecured notes issued by Borrower then outstanding in order from nearest term maturity to latest term maturity or (ii) to be retained by the Borrower (provided that any amounts so retained by the Borrower may not be applied in a manner that violates this Agreement).

(C) Proceeds of Qualified Notes Issuance. So long as no Event of Default has occurred and is continuing, amounts paid under the preceding subsection (iii)(A) shall be applied as follows: (1) first, to repay principal outstanding on the Term Loans to the full extent thereof, (2) second, to repay the principal outstanding on Swingline Loans, from nearest Swingline Maturity Date to latest Swingline Maturity Date, to the full extent thereof, (3) third, to repay the principal outstanding on the Revolving Loans and any Reimbursement Obligations pro rata in accordance with Section 3.2. and then if any Letters of Credit are outstanding at such time, the undrawn amount thereof deposited into the Letter of Credit Collateral Account for application to any Reimbursement Obligations, in each such case, to the full extent thereof, (4) fourth, to repay all other outstanding Obligations hereunder, in the order and manner provided in Section 10.5, to the full extent thereof, and (5) fifth, after all Obligations have been repaid in full, to the Borrower either, at the Borrower's discretion, (i) to repay any other unsecured notes issued by Borrower then outstanding in order from nearest term maturity to latest term maturity or (ii) to be retained by the Borrower (provided that any amounts so retained by the Borrower may not be applied in a manner that violates this Agreement).

If the Borrower is required to pay any outstanding LIBOR Loans by reason of this Section prior to the end of the applicable Interest Period therefor, the Borrower shall pay all amounts due under Section 4.4.

(c) No Effect on Derivatives Contracts. No repayment or prepayment of the Loans pursuant to this Section or otherwise shall affect any of the Borrower's obligations under any Derivatives Contract entered into with respect to any of the Loans.

Section ~~2.1~~2.9. Continuation.

So long as no Default or Event of Default exists, the Borrower may on any Business Day, with respect to any LIBOR Loan, elect to maintain such LIBOR Loan or any portion thereof as a LIBOR Loan by selecting a new Interest Period for such LIBOR Loan. Each Continuation of a LIBOR Loan shall be in an aggregate minimum amount of \$1,000,000 and integral multiples of \$1,000,000 in excess of that amount, and each new Interest Period selected under this Section shall commence on the last day of the immediately preceding Interest Period. Each selection of a new Interest Period shall be made by the Borrower giving to the Administrative Agent a Notice of Continuation not later than 10:00 a.m. Eastern time on the third Business Day prior to the date of any such Continuation. Such notice by the Borrower of a Continuation shall be by telecopy, electronic mail or other similar form of communication in the form of a Notice of Continuation, specifying (a) whether the Loans being Continued are Revolving Loans or Term Loans, (b) the proposed date of such Continuation, (c) the LIBOR Loans and portions thereof subject to such Continuation and (d) the duration of the selected Interest Period, all of which shall be specified in such manner as is necessary to comply with all limitations on Loans outstanding hereunder. Each Notice of Continuation shall be irrevocable by and binding on the Borrower once given. Promptly after receipt of a Notice of Continuation, the Administrative Agent shall notify each Revolving Lender, in the case of a Continuation of Revolving Loans, and each Term Loan Lender, in the case of a Continuation of Term Loans, of the proposed Continuation. If the Borrower shall fail to select in a timely manner a new Interest Period for any LIBOR Loan in accordance with this Section, such Loan will automatically, on the last day of the current Interest Period therefor, continue as a LIBOR Loan with an Interest Period of one month; provided, however that if a Default or Event of Default exists, such Loan will automatically, on the last day of the current Interest Period therefor, Convert into a Base Rate Loan notwithstanding the first sentence of Section 2.10. or the Borrower's failure to comply with any of the terms of such Section.

Section ~~2.1~~2.10. Conversion.

The Borrower may on any Business Day, upon the Borrower's giving of a Notice of Conversion to the Administrative Agent by telecopy, electronic mail or other similar form of communication, Convert all or a portion of a Revolving Loan or Term Loan of one Type into a Revolving Loan or Term Loan, as applicable, of another Type; provided, however, a Base Rate Loan may not be Converted into a LIBOR Loan if a Default or Event of Default exists. Each Conversion of Base Rate Loans into LIBOR Loans shall be in an aggregate minimum amount of \$1,000,000 and integral multiples of \$1,000,000 in excess of that amount. Each such Notice of Conversion shall be given not later than 10:00 a.m. Eastern time 3 Business Days prior to the date of any proposed Conversion. Promptly after receipt

of a Notice of Conversion, the Administrative Agent shall notify each Revolving Lender, in the case of a Conversion of Revolving Loans, and each Term Loan Lender, in the case of a Conversion of Term Loans, of the proposed Conversion. Subject to the restrictions specified above, each Notice of Conversion shall be by telecopy, electronic mail or other similar form of communication in the form of a Notice of Conversion specifying (a) whether the Loans being Converted are Revolving Loans or Term Loans, (b) the requested date of such Conversion, (c) the Type of Loan to be Converted, (d) the portion of such Type of Loan to be Converted, (e) the Type of Loan such Loan is to be Converted into and (f) if such Conversion is into a LIBOR Loan, the requested duration of the Interest Period of such Loan. Each Notice of Conversion shall be irrevocable by and binding on the Borrower once given.

Section ~~2.4~~2.11. Notes.

(a) Notes. Except in the case of a Revolving Lender that has notified the Administrative Agent in writing that it elects not to receive a Revolving Note, the Revolving Loans made by each Revolving Lender shall, in addition to this Agreement, also be evidenced by a Revolving Note, payable to the order of such Revolving Lender in a principal amount equal to the amount of its Revolving Commitment as originally in effect and otherwise duly completed. The Swingline Loans made by a Swingline Lender to the Borrower shall, in addition to this Agreement, also be evidenced by a Swingline Note payable to the order of such Swingline Lender. Except in the case of a Term Loan Lender that has notified the Administrative Agent in writing that it elects not to receive a Term Note, the Term Loan made by a Term Loan Lender shall, in addition to this Agreement, also be evidenced by a Term Note, payable to the order of such Term Loan Lender in a principal amount equal to the amount of its Term Loan and otherwise duly completed. After the date hereof, to the extent a Lender which has notified the Administrative Agent that it elects not to receive a Revolving Note or Term Note, as applicable, elects to receive a Revolving Note or Term Note, as applicable, the Borrower shall at its own expense execute and deliver to such Lender a new Note dated as of the date hereof.

(b) Records. The date, amount, interest rate, Type and duration of Interest Periods (if applicable) of each Loan made by each Lender to the Borrower, and each payment made on account of the principal thereof, shall be recorded by such Lender on its books and such entries shall be binding on the Borrower absent manifest error; provided, however, that (i) the failure of a Lender to make any such record shall not affect the obligations of the Borrower under any of the Loan Documents and (ii) if there is a discrepancy between such records of a Lender and the statements of accounts maintained by the Administrative Agent pursuant to Section 3.8., in the absence of manifest error, the statements of account maintained by the Administrative Agent pursuant to Section 3.8. shall be controlling.

(c) Lost, Stolen, Destroyed or Mutilated Notes. Upon receipt by the Borrower of (i) written notice from a Lender that a Note of such Lender has been lost, stolen, destroyed or mutilated, and (ii)(A) in the case of loss, theft or destruction, an unsecured agreement of indemnity from such Lender in form reasonably satisfactory to the Borrower, or (B) in the case of mutilation, upon surrender and cancellation of such Note, the Borrower shall at its own expense execute and deliver to such Lender a new Note dated the date of such lost, stolen, destroyed or mutilated Note.

Section ~~2.4~~2.12. Voluntary Reductions of the Revolving Commitment.

The Borrower shall have the right to terminate or reduce the aggregate unused amount of the Revolving Commitments (for which purpose use of the Revolving Commitments shall be deemed to include the aggregate amount of all Letter of Credit Liabilities and the aggregate principal amount of all outstanding Swingline Loans) at any time and from time to time without penalty or premium upon not less than five Business Days prior written notice to the Administrative Agent of each such termination or reduction, which notice shall specify the effective date thereof and the amount of any such reduction (which in the case of any partial reduction of the Revolving Commitments shall not be less than \$10,000,000 and integral multiples of \$5,000,000 in excess of that amount in the aggregate) and shall be irrevocable once given and effective only upon receipt by the Administrative Agent (“Commitment Reduction Notice”); provided that any such notice may state that such notice is conditioned upon the occurrence of one or more events specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Promptly after receipt of a Commitment Reduction Notice the Administrative Agent shall notify each Lender of the proposed termination or Revolving Commitment reduction. The Revolving Commitments may not be reduced below \$200,000,000 in the aggregate unless the Borrower terminates the Revolving Commitments in their entirety, and, once terminated or reduced, the Revolving

Commitments may not be increased or reinstated. The Borrower shall pay all interest on the Loans, and the Fees under Section 3.5.(b) with respect to the amount of the Revolving Commitment being reduced, accrued to the date of such reduction or termination of the Revolving Commitments to the Administrative Agent for the account of the Lenders, including but not limited to any applicable compensation due to each Lender in accordance with Section 4.4.

Section ~~2.12~~.13. Extension of Revolving Termination Date.

The Borrower shall have the right, exercisable two times, to extend the current Revolving Termination Date in effect as of the date each such right is exercised by six months. The Borrower may exercise such right only by executing and delivering to the Administrative Agent at least 30 days but not more than 90 days prior to the current Revolving Termination Date, a written request for such extension (an "Extension Request"). The Administrative Agent shall notify the Revolving Lenders if it receives an Extension Request promptly upon receipt thereof. Subject to satisfaction of the following conditions, the Revolving Termination Date shall be extended for six months effective upon receipt by the Administrative Agent of the Extension Request and payment of the fee referred to in the following clause (ii): (i) immediately prior to such extension and immediately after giving effect thereto, (x) no Default or Event of Default shall exist and (y) the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party, shall be true and correct in all material respects (~~except in the case of a representation or warranty qualified by materiality, in which case such representation or warranty shall be true and correct in all respects~~) on and as of the date of such extension with the same force and effect as if made on and as of such date except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects (~~except in the case of a representation or warranty qualified by materiality, in which case such representation or warranty shall be true and correct in all respects~~) on and as of such earlier date) and except for changes in factual circumstances specifically and expressly permitted under the Loan Documents and (ii) the Borrower shall have paid the Fees payable under Section 3.5.(d). At any time prior to the effectiveness of any such extension, upon the Administrative Agent's request, the Borrower shall deliver to the Administrative Agent a certificate from the chief executive officer or chief financial officer certifying the matters referred to in the immediately preceding clauses (i)(x) and (i)(y).

Section ~~2.12~~.14. Expiration Date of Letters of Credit Past Revolving Commitment Termination.

If on the date the Revolving Commitments are terminated or reduced to zero (whether voluntarily, by reason of the occurrence of an Event of Default or otherwise) there are any Letters of Credit outstanding hereunder and the aggregate Stated Amount of such Letters of Credit exceeds the balance of available funds on deposit in the Letter of Credit Collateral Account, then the Borrower shall, on such date, pay to the Administrative Agent, for the benefit of the Issuing Banks and the Revolving Lenders, for deposit into the Letter of Credit Collateral Account, an amount of money equal to the amount of such excess.

Section ~~2.12~~.15. Amount Limitations.

Notwithstanding any other term of this Agreement or any other Loan Document, no Lender shall be required to make a Loan, the Issuing Banks shall not be required to issue a Letter of Credit and no reduction of the Revolving Commitments pursuant to Section 2.12. shall take effect, if immediately after the making of such Loan, the issuance of such Letter of Credit or such reduction in the Revolving Commitments the aggregate principal amount of all outstanding Revolving Loans and Swingline Loans, together with the aggregate amount of all Letter of Credit Liabilities, would exceed the aggregate amount of the Revolving Commitments at such time.

Section ~~2.12~~.16. Increase in Commitments and Loans.

The Borrower shall have the right (a) at any time and from time to time during the period beginning on the Effective Date to but excluding the Revolving Termination Date to request increases in the aggregate amount of the Revolving Commitments and (b) at any time and from time to time during the period beginning on the Effective Date to but excluding the Term Loan Maturity Date to request additional Term Loans, in each case, by providing written notice to the Administrative Agent, which notice shall be irrevocable once given; provided, however, that after giving effect to any such increase in the Revolving Commitments and any new Term Loans, the aggregate amount of Revolving

Commitments (less the aggregate amount of reductions of Revolving Commitments effected pursuant to Section 2.12.) and Term Loans shall not exceed \$2,300,000,000. Each such increase in the Term Loans and the Revolving Commitments must be an aggregate minimum amount of \$50,000,000 and integral multiples of \$10,000,000 in excess thereof. The Administrative Agent, in consultation with the Borrower, shall manage all aspects of the syndication of such increase in the Term Loans and the Revolving Commitments, including decisions as to the selection of the existing Lenders and/or other banks, financial institutions and other institutional lenders to be approached with respect to such increase and the allocations of the increase in the Term Loans and the Revolving Commitments among such existing Lenders and/or other banks, financial institutions and other institutional lenders. No Lender shall be obligated in any way whatsoever to increase its Term Loan or Revolving Commitment or provide a new Term Loan or Revolving Commitment, and any new Lender becoming a party to this Agreement in connection with any such requested increase must be an Eligible Assignee. If a new Revolving Lender becomes a party to this Agreement, or if any existing Revolving Lender is increasing its Revolving Commitment, such Lender shall on the date it becomes a Revolving Lender hereunder (or in the case of an existing Lender, increases its Revolving Commitment) (and as a condition thereto) purchase from the other Revolving Lenders its Revolving Commitment Percentage (determined with respect to the Revolving Lenders' respective Revolving Commitments and after giving effect to the increase of Revolving Commitments) of any outstanding Revolving Loans, by making available to the Administrative Agent for the account of such other Revolving Lenders, in same day funds, an amount equal to the sum of (A) the portion of the outstanding principal amount of such Revolving Loans to be purchased by such Lender, plus (B) the aggregate amount of payments previously made by the other Revolving Lenders under Section 2.3(j) that have not been repaid, plus (C) interest accrued and unpaid to and as of such date on such portion of the outstanding principal amount of such Revolving Loans. The Borrower shall pay to the Revolving Lenders amounts payable, if any, to such Revolving Lenders under Section 4.4. as a result of such purchase as if such purchase were a prepayment of any such Revolving Loans. Effecting the increase of the Term Loans and Revolving Commitments under this Section is subject to the following conditions precedent: (x) no Default or Event of Default shall be in existence on the effective date of such increase, (y) the representations and warranties made or deemed made by the Borrower or any other Loan Party in any Loan Document to which such Loan Party is a party shall be true and correct in all material respects (except in the case of a representation or warranty qualified by materiality, in which case such representation or warranty shall be true and correct in all respects) on the effective date of such increase except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects (except in the case of a representation or warranty qualified by materiality, in which case such representation or warranty shall be true and correct in all respects) on and as of such earlier date) and except for changes in factual circumstances specifically and expressly permitted hereunder, and (z) the Administrative Agent shall have received each of the following, in form and substance satisfactory to the Administrative Agent: (i) if not previously delivered to the Administrative Agent, copies certified by the Secretary or Assistant Secretary of (A) all corporate and other necessary action taken by the Borrower to authorize such increase and (B) all corporate, partnership, member and other necessary action taken by each Guarantor authorizing the guaranty of such increase; (ii) an opinion of counsel to the Borrower and the Guarantors, and addressed to the Administrative Agent and the Lenders covering such matters as reasonably requested by the Administrative Agent; and (iii) except in the case of a Lender that has elected not to receive a Note, new Notes executed by the Borrower, payable to any new Lenders and replacement Notes executed by the Borrower, payable to any existing Lenders increasing the principal amount of their Term Loans or increasing their Revolving Commitments, in the principal amount of such Lender's Term Loan or Revolving Commitment, as applicable, at the time of the effectiveness of the applicable increase in the aggregate principal amount of the Term Loans or Revolving Commitments. In connection with any increase in the aggregate principal amount of the Term Loans or Revolving Commitments, as applicable, pursuant to this Section 2.16. any Lender becoming a party hereto shall (1) execute such documents and agreements as the Administrative Agent may reasonably request and (2) in the case of any Lender that is organized under the laws of a jurisdiction outside of the United States of America, provide to the Administrative Agent, its name, address, tax identification number and/or such other information as shall be necessary for the Administrative Agent to comply with "know your customer" and anti-money laundering rules and regulations, including without limitation, the Patriot Act.

Section ~~2.1~~2.17. Funds Transfer Disbursements.

The Borrower hereby authorizes the Administrative Agent to disburse the proceeds of any Loan made by the Lenders or any of their Affiliates pursuant to the Loan Documents as requested by an authorized representative of the Borrower to any of the accounts designated in the Disbursement Instruction Agreement.

Section ~~2.1~~2.18. Reallocations on Effective Date.

(a) Revolving Commitment Reallocation. Simultaneously with the effectiveness of this Agreement, the “Revolving Commitments” (as defined in the Existing Credit Agreement) of each of the “Revolving Lenders” (as defined in the Existing Credit Agreement) as existing immediately prior to the Effective Date, shall be reallocated among the Revolving Lenders so that the Revolving Commitments are held by the Revolving Lenders as set forth on Schedule I attached hereto. To effect such reallocations each Revolving Lender who either had no “Revolving Commitment” under the Existing Credit Agreement immediately prior to the Effective Date or whose Revolving Commitment upon the effectiveness of this Agreement exceeds its “Revolving Commitment” under the Existing Credit Agreement immediately prior to the effectiveness of this Agreement (each an “Assignee Revolving Lender”) shall be deemed to have purchased all right, title and interest in, and all obligations in respect of, the Revolving Commitments from the “Revolving Lenders” under the Existing Credit Agreement who will not have a Revolving Commitment on and as of the Effective Date or whose Revolving Commitments upon the effectiveness of this Agreement are less than their respective “Revolving Commitment” under the Existing Credit Agreement immediately prior to the effectiveness of this Agreement (each an “Assignor Revolving Lender”), so that the Revolving Commitments of the Revolving Lenders will be held by the Revolving Lenders as set forth on Schedule I. Such purchases shall be deemed to have been effected by way of, and subject to the terms and conditions of, an Assignment and Assumption without the payment of any related assignment fee, and, except for Revolving Notes to be provided to the Assignor Revolving Lenders and Assignee Revolving Lenders in the principal amount of their respective Revolving Commitments, no other documents or instruments shall be, or shall be required to be, executed in connection with such assignments (all of which are hereby waived). The Assignor Revolving Lenders, the Assignee Revolving Lenders and the other Revolving Lenders shall make such cash settlements among themselves, through the Administrative Agent, as the Administrative Agent may direct (after giving effect to the making of any Revolving Loans to be made on the Effective Date and any netting transactions effected by the Administrative Agent) with respect to such reallocations and assignments so that the aggregate outstanding principal amount of Revolving Loans shall be held by the Revolving Lenders pro rata in accordance with the amount of the Revolving Commitments set forth on Schedule I.

(b) Term Loan Reallocation. Simultaneously with the effectiveness of this Agreement, the principal amount of all outstanding “Term Loans” (as defined in the Existing Credit Agreement) of each of the “Term Loan Lenders” (as defined in the Existing Credit Agreement) as existing immediately prior to the Effective Date, shall be reallocated among the Term Loan Lenders so that the Term Loans are held by the Term Loan Lenders as set forth on Schedule I attached hereto. To effect such reallocations each Term Loan Lender who either was not a “Term Loan Lender” under the Existing Credit Agreement immediately prior to the Effective Date or whose Term Loan upon the effectiveness of this Agreement exceeds its “Term Loan” under the Existing Credit Agreement immediately prior to the effectiveness of this Agreement (each an “Assignee Term Loan Lender”) shall be deemed to have purchased such right, title and interest in, and such obligations in respect of, the “Term Loans” under the Existing Credit Agreement from the “Term Loan Lenders” under the Existing Credit Agreement who will not have a Term Loan on and as of the Effective Date or whose Term Loans upon the effectiveness of this Agreement are less than their respective “Term Loans” under the Existing Credit Agreement (each an “Assignor Term Loan Lender”), so that the Term Loans of the Term Loan Lenders will be held by the Term Loan Lenders as set forth on Schedule I. Such purchases shall be deemed to have been effected by way of, and subject to the terms and conditions of, an Assignment and Assumption without the payment of any related assignment fee, and, except for Term Notes to be provided to the Assignor Term Loan Lenders and Assignee Term Loan Lenders in the principal amount of their respective Term Loans, no other documents or instruments shall be, or shall be required to be, executed in connection with such assignments (all of which are hereby waived). The Assignor Term Loan Lenders, the Assignee Term Loan Lenders and the other Term Loan Lenders shall make such cash settlements among themselves, through the Administrative Agent, as the Administrative Agent may direct with respect to such reallocations and assignments so that the aggregate outstanding principal amount of

Term Loans shall be held by the Term Loan Lenders pro rata in accordance with the amount of the “Term Loan Amounts” set forth on Schedule I.

Section 2.19. Additional Amount Limitations for Issuing Banks and Swingline Lenders.

Notwithstanding any other term of this Agreement or any other Loan Document, no Revolving Lender then acting as an Issuing Bank or Swingline Lender shall be required to make a Revolving Loan, issue a Letter of Credit, or make a Swingline Loan and no reduction of the Commitments pursuant to Section 2.12 shall take effect, if immediately after the making of such Revolving Loan, issuing of such Letter of Credit, making of such Swingline Loan or such reduction in the Commitments (i) the sum of (a) the aggregate principal amount of all outstanding Revolving Loans and Swingline Loans made by such Revolving Lender, plus (b) such Revolving Lender’s Letter of Credit Liabilities, plus (c) the aggregate amount of such Revolving Lender’s Revolving Commitment Percentage of outstanding Swingline Loans by other Swingline Lenders, would exceed (ii) the aggregate amount of such Revolving Lender’s Revolving Commitments at such time.

Article III. Payments, Fees and Other General Provisions

Section 3.1. Payments.

(a) Payments by Borrower. Except to the extent otherwise provided herein, all payments of principal, interest, Fees and other amounts to be made by the Borrower under this Agreement, the Notes or any other Loan Document shall be made in Dollars, in immediately available funds, without setoff, deduction or counterclaim, to the Administrative Agent at the Principal Office, not later than 12:00 p.m. Eastern time on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). Subject to Section 10.5., the Borrower shall, at the time of making each payment under this Agreement or any other Loan Document, specify to the Administrative Agent the amounts payable by the Borrower hereunder to which such payment is to be applied. Each payment received by the Administrative Agent for the account of a Lender under this Agreement or any Note shall be paid to such Lender by wire transfer of immediately available funds in accordance with the wiring instructions provided by such Lender to the Administrative Agent from time to time, for the account of such Lender at the applicable Lending Office of such Lender. Each payment received by the Administrative Agent for the account of an Issuing Bank under this Agreement shall be paid to such Issuing Bank by wire transfer of immediately available funds in accordance with the wiring instructions provided by such Issuing Bank to the Administrative Agent from time to time, for the account of such Issuing Bank. In the event the Administrative Agent fails to pay such amounts to such Lender or such Issuing Bank, as the case may be, (i) by 5:00 p.m. Eastern time on the Business Day such funds are received by the Administrative Agent, if such amounts are received by 12:00 p.m. Eastern time on such date or (ii) by 5:00 p.m. Eastern time on the Business Day following the date such funds are received by the Administrative Agent, if such amounts are received after 12:00 p.m. Eastern time on any Business Day, the Administrative Agent shall pay interest on such amount until paid at a rate per annum equal to the Federal Funds Rate from time to time in effect. If the due date of any payment under this Agreement or any other Loan Document would otherwise fall on a day which is not a Business Day such date shall be extended to the next succeeding Business Day and interest shall continue to accrue at the rate, if any, applicable to such payment for the period of such extension.

(b) Presumptions Regarding Payments by Borrower. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may (but shall not be obligated to), in reliance upon such assumption, distribute to the Lenders or the Issuing Banks, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the applicable Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent on demand that amount so distributed to such Lender or such Issuing Bank, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

Section ~~3-13.2~~ 3.2. Pro Rata Treatment.

Except to the extent otherwise provided herein: (a) each borrowing from the Revolving Lenders under Sections 2.1.(a), 2.3.(e) and 2.4.(e) shall be made from the Revolving Lenders, each payment of the fees under Sections 3.5.(b), the first sentence of 3.5.(c), and 3.5.(d) shall be made for the account of the Revolving Lenders, and each termination or reduction of the amount of the Revolving Commitments under Section 2.12. shall be applied to the respective Revolving Commitments of the Revolving Lenders, pro rata according to the amounts of their respective Revolving Commitments; (b) each payment or prepayment of principal of Revolving Loans shall be made for the account of the Revolving Lenders pro rata in accordance with the respective unpaid principal amounts of the Revolving Loans held by them, provided that, subject to Section 3.9., if immediately prior to giving effect to any such payment in respect of any Revolving Loans the outstanding principal amount of the Revolving Loans shall not be held by the Revolving Lenders pro rata in accordance with their respective Revolving Commitments in effect at the time such Revolving Loans were made, then such payment shall be applied to the Revolving Loans in such manner as shall result, as nearly as is practicable, in the outstanding principal amount of the Revolving Loans being held by the Revolving Lenders pro rata in accordance with their respective Revolving Commitments; (c) the making of Term Loans under Section 2.2.(a) shall be made from the Term Loan Lenders, pro rata according to the amounts of their respective Term Loan Commitments; (d) each payment or prepayment of principal of Term Loans shall be made for the account of the Term Loan Lenders pro rata in accordance with the respective unpaid principal amounts of the Term Loans held by them; (e) each payment of interest on Revolving Loans or Term Loans shall be made for the account of the Revolving Lenders or Term Loan Lenders, as applicable, pro rata in accordance with the amounts of interest on such Revolving Loans or Term Loans, as applicable, then due and payable to the respective Lenders; (f) the Conversion and Continuation of Revolving Loans or Term Loans of a particular Type (other than Conversions provided for by Sections 4.1.(c) and 4.5.) shall be made pro rata among the Revolving Lenders or Term Loan Lenders, as applicable, according to the amounts of their respective Revolving Loans or Term Loans, as applicable, and the then current Interest Period for each Lender's portion of each such Loan of such Type shall be coterminous; (g) the Revolving Lenders' participation in, and payment obligations in respect of, Swingline Loans under Section 2.4., shall be in accordance with their respective Revolving Commitment Percentages; and (h) the Revolving Lenders' participation in, and payment obligations in respect of, Letters of Credit under Section 2.3., shall be in accordance with their respective Revolving Commitment Percentages. All payments of principal, interest, fees and other amounts in respect of the Swingline Loans shall be for the account of the applicable Swingline Lender only (except to the extent any Lender shall have acquired a participating interest in any such Swingline Loan pursuant to Section 2.4.(e), in which case such payments shall be pro rata in accordance with such participating interests). Any payment or prepayment of principal or interest made during the existence of a Default or Event of Default shall be made for the account of the Lenders and the Issuing Banks in accordance with the order set forth in Section 10.5.

Section ~~3-13.3~~ 3.3. Sharing of Payments, Etc.

If a Lender shall obtain payment of any principal of, or interest on, any Loan made by it to the Borrower under this Agreement or shall obtain payment on any other Obligation owing by the Borrower or any other Loan Party through the exercise of any right of set-off, banker's lien, counterclaim or similar right or otherwise or through voluntary prepayments directly to a Lender or other payments made by or on behalf of the Borrower or any other Loan Party to a Lender (other than any payment in respect of Specified Derivatives Obligations) not in accordance with the terms of this Agreement and such payment should be distributed to the Lenders in accordance with Section 3.2. or Section 10.5., as applicable, such Lender shall promptly purchase from the other Lenders participations in (or, if and to the extent specified by such Lender, direct interests in) the Loans made by the other Lenders or other Obligations owed to such other Lenders in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the Lenders shall share the benefit of such payment (net of any reasonable expenses which may actually be incurred by such Lender in obtaining or preserving such benefit) in accordance with the requirements of Section 3.2. or Section 10.5., as applicable. To such end, all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored. The Borrower agrees that any Lender so purchasing a participation (or direct interest) in the Loans or other Obligations owed to such other Lenders may exercise all rights of set-off, banker's lien, counterclaim or similar rights with respect to such participation as fully as if such Lender were a direct holder of Loans in the amount of such participation. Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to

exercise and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Borrower.

Section 3.13.4. Several Obligations.

No Lender shall be responsible for the failure of any other Lender to make a Loan or to perform any other obligation to be made or performed by such other Lender hereunder, and the failure of any Lender to make a Loan or to perform any other obligation to be made or performed by it hereunder shall not relieve the obligation of any other Lender to make any Loan or to perform any other obligation to be made or performed by such other Lender.

Section 3.13.5. Fees.

(a) Closing Fee. On the Effective Date, the Borrower agrees to pay to the Administrative Agent and each Lender all loan fees as have been agreed to in writing by the Borrower and the Administrative Agent.

(b) Facility Fees. During the period from the Effective Date to but excluding the Revolving Termination Date, the Borrower agrees to pay to the Administrative Agent for the account of the Revolving Lenders a facility fee equal to the daily aggregate amount of the Revolving Commitments (whether or not utilized) times a rate per annum equal to the Applicable Facility Fee. Such fee shall be payable quarterly in arrears on the ~~last Business Day of each March, June, September and December~~ first day of each January, April, July and October during the term of this Agreement and on the Revolving Termination Date or any earlier date of termination of the Revolving Commitments or reduction of the Revolving Commitments to zero. The Borrower acknowledges that the fee payable hereunder is a bona fide commitment fee and is intended as reasonable compensation to the Revolving Lenders for committing to make funds available to the Borrower as described herein and for no other purposes.

(c) Letter of Credit Fees. The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a letter of credit fee at a rate per annum equal to the Applicable Margin for Revolving Loans that are LIBOR Loans times the daily average Stated Amount of each Letter of Credit for the period from and including the date of issuance of such Letter of Credit (x) to and including the date such Letter of Credit expires or is cancelled or terminated or (y) to but excluding the date such Letter of Credit is drawn in full. In addition to such fees, the Borrower shall pay to ~~an~~ the applicable Issuing Bank solely for its own account, a fronting fee in respect of each Letter of Credit issued by such Issuing Bank ~~in the amount provided in the Fee~~ equal to one-eighth of one percent (0.125%) of the initial Stated Amount of such Letter of Credit; provided, however, in no event shall the aggregate amount of such fee in respect of any Letter of Credit be less than \$1,000. The fees provided for in this subsection shall be nonrefundable and payable, in the case of the fee provided for in the first sentence, in arrears (i) quarterly on the first day of January, April, July and October, (ii) on the Revolving Termination Date, (iii) on the date the Revolving Commitments are terminated or reduced to zero and (iv) thereafter from time to time on demand of the Administrative Agent and in the case of the fee provided for in the second sentence, at the time of issuance of such Letter of Credit. The Borrower shall pay directly to the applicable Issuing Bank from time to time on demand all commissions, charges, costs and expenses in the amounts customarily charged or incurred by the applicable Issuing Bank from time to time in like circumstances with respect to the issuance, amendment, renewal or extension of any Letter of Credit issued by such Issuing Bank or any other transaction relating thereto.

(d) Revolving Credit Extension Fee. If the Borrower exercises its right to extend the Revolving Termination Date in accordance with Section 2.13., the Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a fee equal to 0.075% of the amount of such Lender's Revolving Commitment (whether or not utilized) for any such extension. Such fee shall be due and payable in full on the date the Administrative Agent receives the Extension Request pursuant to such Section.

(e) Administrative and Other Fees. The Borrower agrees to pay the administrative and other fees of the Administrative Agent as provided in the Fee Letter and as may be otherwise agreed to in writing from time to time by the Borrower and the Administrative Agent.

Section ~~3-1~~3.6. Computations.

Unless otherwise expressly set forth herein, any accrued interest on any Loan, any Fees or any other Obligations due hereunder shall be computed on the basis of a year of 360 days and the actual number of days elapsed.

Section ~~3-1~~3.7. Usury.

In no event shall the amount of interest due or payable on the Loans or other Obligations exceed the maximum rate of interest allowed by Applicable Law and, if any such payment is paid by the Borrower or any other Loan Party or received by any Lender, then such excess sum shall be credited as a payment of principal, unless the Borrower shall notify the respective Lender in writing that the Borrower elects to have such excess sum returned to it forthwith. It is the express intent of the parties hereto that the Borrower not pay and the Lenders not receive, directly or indirectly, in any manner whatsoever, interest in excess of that which may be lawfully paid by the Borrower under Applicable Law. The parties hereto hereby agree and stipulate that the only charge imposed upon the Borrower for the use of money in connection with this Agreement is and shall be the interest specifically described in Section 2.5.(a)(i) through (iv) and, with respect to Swingline Loans, in Section 2.4.(c). Notwithstanding the foregoing, the parties hereto further agree and stipulate that all agency fees, syndication fees, arrangement fees, facility fees, closing fees, letter of credit fees, underwriting fees, default charges, late charges, funding or “breakage” charges, increased cost charges, attorneys’ fees and reimbursement for costs and expenses paid by the Administrative Agent or any Lender to third parties or for damages incurred by the Administrative Agent or any Lender, in each case, in connection with the transactions contemplated by this Agreement and the other Loan Documents, are charges made to compensate the Administrative Agent or any such Lender for underwriting or administrative services and costs or losses performed or incurred, and to be performed or incurred, by the Administrative Agent and the Lenders in connection with this Agreement and shall under no circumstances be deemed to be charges for the use of money. All charges other than charges for the use of money shall be fully earned and nonrefundable when due.

Section ~~3-1~~3.8. Statements of Account.

The Administrative Agent will account to the Borrower monthly with a statement of Loans, accrued interest and Fees, charges and payments made pursuant to this Agreement and the other Loan Documents, and such account rendered by the Administrative Agent shall be deemed conclusive upon the Borrower absent manifest error. The failure of the Administrative Agent to deliver such a statement of accounts shall not relieve or discharge the Borrower from any of its obligations hereunder.

Section ~~3-1~~3.9. Defaulting Lenders.

Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(a) Waivers and Amendments. Such Defaulting Lender’s right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Requisite Lenders.

(b) Defaulting Lender Waterfall. Any payment of principal, interest, Fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article X. or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section ~~3-3~~12.3 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, in the case of a Defaulting Lender that is a Revolving Lender, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Banks or the Swingline Lenders hereunder; third, in the case of a Defaulting Lender that is a Revolving Lender, to Cash Collateralize the Issuing Banks’ Fronting Exposure with respect to such Defaulting Lender in accordance with subsection (e) below; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, in the case of a

Defaulting Lender that is a Revolving Lender, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Revolving Loans under this Agreement and (y) Cash Collateralize the Issuing Banks' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with subsection (e) below; sixth, to the payment of any amounts owing to the Lenders, the Issuing Banks or the Swingline Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any Issuing Bank or any Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or amounts owing by such Defaulting Lender under Section 2.3.(j) in respect of Letters of Credit (such amounts "L/C Disbursements"), in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Article V. were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Disbursements owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Disbursements owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in Letter of Credit Liabilities and Swingline Loans are held by the Lenders pro rata in accordance with their respective Revolving Commitment Percentages (determined without giving effect to the immediately following subsection (d)) and Term Loan Percentages, as applicable. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this subsection shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(c) Certain Fees.

(i) No Revolving Lender that is a Defaulting Lender shall be entitled to receive any Fee payable under Section 3.5.(b) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(ii) Each Revolving Lender that is a Defaulting Lender shall be entitled to receive any Fee payable under Section 3.5.(c) for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Revolving Commitment Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to the immediately following subsection (e).

(iii) With respect to any Fee not required to be paid to any Defaulting Lender pursuant to the immediately preceding clauses (i) or (ii), the Borrower shall (x) pay to each Revolving Lender that is a Non-Defaulting Lender that portion of any such Fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letter of Credit Liabilities or Swingline Loans that has been reallocated to such Non-Defaulting Lender pursuant to the immediately following subsection (d), (y) pay to each Issuing Bank and each Swingline Lender, as applicable, the amount of any such Fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuing Bank's or such Swingline Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such Fee.

(d) Reallocation of Participations to Reduce Fronting Exposure. In the case of a Revolving Lender that is a Defaulting Lender, all or any part of such Defaulting Lender's participation in Letter of Credit Liabilities and Swingline Loans shall be reallocated among the Revolving Lenders that are Non-Defaulting Lenders in accordance with their respective Revolving Commitment Percentages (determined without regard to such Defaulting Lender's Revolving Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Revolving Lender that is a Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Revolving Lender having become a Defaulting Lender, including any

claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(e) Cash Collateral, Repayment of Swingline Loans.

(i) If the reallocation described in the immediately preceding subsection (d) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, (x) first, prepay Swingline Loans in an amount equal to the Swingline Lenders' Fronting Exposure and (y) second, Cash Collateralize the Issuing Banks' Fronting Exposure in accordance with the procedures set forth in this subsection.

(ii) At any time that there shall exist a Revolving Lender that is a Defaulting Lender, within 1 Business Day following the written request of the Administrative Agent or the applicable Issuing Bank (with a copy to the Administrative Agent), the Borrower shall Cash Collateralize such Issuing Bank's Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to the immediately preceding subsection (d) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the aggregate Fronting Exposure of such Issuing Bank with respect to Letters of Credit issued and outstanding at such time.

(iii) The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grant to the Administrative Agent, for the benefit of the Issuing Banks, and agree to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lenders' obligation to fund participations in respect of Letter of Credit Liabilities, to be applied pursuant to the immediately following clause (iv). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the Issuing Banks as herein provided, or that the total amount of such Cash Collateral is less than the aggregate Fronting Exposure of the Issuing Banks with respect to Letters of Credit issued and outstanding at such time, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(iv) Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of Letter of Credit Liabilities (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(v) Cash Collateral (or the appropriate portion thereof) provided to reduce an Issuing Bank's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this subsection following (x) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Revolving Lender), or (y) the determination by the Administrative Agent and the applicable Issuing Bank that there exists excess Cash Collateral; provided that, subject to the immediately preceding subsection (b), the Person providing Cash Collateral and the applicable Issuing Bank may (but shall not be obligated to) agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations and provided further that to the extent that such Cash Collateral was provided by the Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Loan Documents.

(f) Defaulting Lender Cure. If the Borrower and the Administrative Agent (and in the case of the Defaulting Lender that is a Revolving Lender, the Swingline Lenders and the Issuing Banks) agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which, in the case of a Revolving Lender, may include arrangements with respect to any Cash Collateral), that Lender will, to the extent

applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans, and in the case of a Defaulting Lender that is a Revolving Lender, funded and unfunded participations in Letters of Credit and Swingline Loans, to be held pro rata by the Lenders in accordance with their respective Revolving Commitment Percentages (determined without giving effect to the immediately preceding subsection (d)) and Term Loan Percentages, as applicable, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to Fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Non-Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(g) New Swingline Loans/Letters of Credit. So long as any Revolving Lender is a Defaulting Lender, (i) each Swingline Lender shall not be required to fund any Swingline Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swingline Loan and (ii) each Issuing Bank shall not be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

(h) Purchase of Defaulting ~~Lender's~~Lender's Commitment. During any period that a Revolving Lender is a Defaulting Lender, the Borrower may, by the Borrower giving written notice thereof to the Administrative Agent, such Defaulting Lender and the other Lenders, demand that such Defaulting Lender assign its Revolving Commitment to an Eligible Assignee subject to and in accordance with the provisions of Section 12.5.(b). No party hereto shall have any obligation whatsoever to initiate any such replacement or to assist in finding an Eligible Assignee. In addition, any Revolving Lender which is not a Defaulting Lender may, but shall not be obligated, in its sole discretion, to acquire the face amount of all or a portion of such Defaulting ~~Lender's~~Lender's Revolving Commitment via an assignment subject to and in accordance with the provisions of Section 12.5.(b). In connection with any such assignment, such Defaulting Lender shall promptly execute all documents reasonably requested to effect such assignment, including an appropriate Assignment and Assumption Agreement and, notwithstanding Section 12.5.(b), shall pay to the Administrative Agent an assignment fee in the amount of \$7,500. The exercise by the Borrower of its rights under this Section shall be at the ~~Borrower's~~Borrower's sole cost and expense and at no cost or expense to the Administrative Agent or any of the Lenders.

Section ~~3.4~~3.10. Taxes.

(a) Issuing Banks. For purposes of this Section, the term "Lender" includes the Issuing Banks and the term "Applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower or any other Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower or other applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Borrower. The Borrower and the other Loan Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Borrower. The Borrower and the other Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by

such Recipient (whether directly or pursuant to Section 3.10.(e)(i)) or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, however, that neither the Borrower nor any other Loan Party shall be liable to indemnify any Lender or Participant for any Taxes attributable to Lender's failure to comply with the provisions of Section 12.5. relating to the maintenance of a Participant Register. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower or another Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower and the other Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.5. relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this subsection.

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower or any other Loan Party to a Governmental Authority pursuant to this Section, the Borrower or such other Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in the immediately following clauses (ii)(A), (ii)(B) and (ii)(D)) shall not be required if in the applicable Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), an electronic copy (or an original if requested by the Borrower or the Administrative Agent) of an executed IRS Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(I) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, an electronic copy (or an original if requested by the Borrower or the Administrative Agent) of an executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(II) an electronic copy (or an original if requested by the Borrower or the Administrative Agent) of an executed IRS Form W-8ECI;

(III) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit L-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Internal Revenue Code (a “U.S. Tax Compliance Certificate”) and (y) an electronic copy (or an original if requested by the Borrower or the Administrative Agent) of an IRS Form W-8BEN or IRS Form W-8BEN-E, applicable; or

(IV) to the extent a Foreign Lender is not the beneficial owner, an electronic copy (or an original if requested by the Borrower or the Administrative Agent) of an executed IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit L-2 or Exhibit L-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit L-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), an electronic copy (or an original if requested by the Borrower or the Administrative Agent) of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by Applicable Law and at such time or times

reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will an indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection the payment of which would place such indemnified party in a less favorable net after-Tax position than such indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to, or apply for or seek any refund for or on behalf of, any indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(j) FATCA Determination. For purposes of determining withholding Taxes imposed under FATCA, from and after the Effective Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) this Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

~~Article~~ **ARTICLE IV. Yield Protection, Etc.**

Section 4.1. Additional Costs; Capital Adequacy.

(a) Capital Adequacy. If any Lender determines that any Regulatory Change affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity ratios or requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, any Commitment of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Regulatory Change (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(b) Additional Costs. In addition to, and not in limitation of the immediately preceding subsection, the Borrower shall promptly pay to the Administrative Agent for the account of a Lender from time to time such amounts as such Lender may determine to be necessary to compensate such Lender for any costs incurred by such Lender that it determines are attributable to its making ~~or~~, maintaining, continuing or converting of any ~~LIBOR~~ Loans or its obligation to make any ~~LIBOR~~ Loans hereunder, any reduction in any amount receivable by such Lender under this Agreement or any of the other Loan Documents in respect of any of such ~~LIBOR~~ Loans or such obligation or the maintenance by such Lender of capital in respect of its ~~LIBOR~~ Loans or its Commitments (such increases in costs and reductions in amounts receivable being herein called “Additional Costs”), resulting from any Regulatory Change that: (i) changes the basis of taxation of any amounts payable to such Lender under this Agreement or any of the other Loan Documents in respect of any of such ~~LIBOR~~ Loans or its Commitments (other than Indemnified Taxes, Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and Connection Income Taxes), or (ii) imposes or modifies any reserve, special deposit, compulsory loan insurance charge, or similar requirements (other than Regulation D of the Board of Governors of the Federal Reserve System or other similar reserve requirement applicable to any other category of liabilities or category of extensions of credit or other assets by reference to which the interest rate on ~~LIBOR~~ Loans is determined to the extent utilized when determining ~~LIBOR~~ for such Loans) relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, or other credit extended by, or any other acquisition of funds by such Lender (or its parent corporation), or any commitment of such Lender (including, without limitation, the Commitments of such Lender hereunder) or (iii) imposes on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or the Loans made by such Lender.

(c) Lender’s Suspension of LIBOR Loans. Without limiting the effect of the provisions of the immediately preceding subsections (a) and (b), if by reason of any Regulatory Change, any Lender either (i) incurs Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of such Lender that includes deposits by reference to which the interest rate on LIBOR Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of such Lender that includes LIBOR Loans or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets that it may hold, then, if such Lender so elects by notice to the Borrower (with a copy to the Administrative Agent), the obligation of such Lender to make or Continue, or to Convert Base Rate Loans into, LIBOR Loans shall be suspended until such Regulatory Change ceases to be in effect (in which case the provisions of Section 4.5. shall apply).

(d) Additional Costs in Respect of Letters of Credit. Without limiting the obligations of the Borrower under the preceding subsections of this Section (but without duplication), if as a result of any Regulatory Change or any risk-based capital guideline or other requirement heretofore or hereafter issued by any Governmental Authority there shall be imposed, modified or deemed applicable any Tax (other than Indemnified Taxes, Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and Connection Income Taxes), reserve, special deposit, capital adequacy or similar requirement against or with respect to or measured by reference to Letters of Credit and the result shall be to increase the cost to the applicable Issuing Bank of issuing (or any Lender of purchasing participations in) or maintaining its obligation hereunder to issue (or purchase participations in) any Letter of Credit or reduce any amount receivable by any Issuing Bank or any Lender hereunder in respect of any Letter of Credit, then, upon demand by such Issuing Bank or such Lender, the Borrower shall pay promptly, and in any event within 3 Business Days of demand, to such Issuing Bank or, in the case of such Lender, to the Administrative Agent for the account of such Lender, from time to time as specified by such Issuing Bank or such Lender, such additional amounts as shall be sufficient to compensate such Issuing Bank or such Lender for such increased costs or reductions in amount.

(e) Notification and Determination of Additional Costs. Each of the Administrative Agent, each Issuing Bank and each Lender, as the case may be, agrees to notify the Borrower (and in the case of an Issuing Bank or a Lender, to notify the Administrative Agent) of any event occurring after the Agreement Date entitling the Administrative Agent, such Issuing Bank or such Lender to compensation under any of the preceding subsections of this Section as promptly as practicable; provided, however, that the failure of the Administrative Agent, any Issuing Bank or any Lender to give such notice shall not release the Borrower from any of its obligations hereunder (and in the case of a Lender, to the Administrative Agent); provided, further, that notwithstanding the foregoing provisions of this Section, the Administrative Agent or a Lender, as the case may be, shall not be entitled to compensation for any such amount relating to any period ending more than six months prior to the date that the Administrative Agent or such Lender, as applicable, first notifies the Borrower in writing thereof or for any amounts resulting from a change by any Lender of

its Lending Office (other than changes required by Applicable Law). The Administrative Agent, each Issuing Bank and each Lender, as the case may be, agrees to furnish to the Borrower (and in the case of an Issuing Bank or a Lender to the Administrative Agent as well) a certificate setting forth the basis and amount of each request for compensation under this Section. Determinations by the Administrative Agent, such Issuing Bank or such Lender, as the case may be, of the effect of any Regulatory Change shall be conclusive and binding for all purposes, absent manifest error. The Borrower shall pay the Administrative Agent, any such Issuing Bank and or any such Lender, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

Section ~~4.1~~4.2. Suspension of LIBOR Loans.

(a) Anything herein to the contrary notwithstanding and unless and until a Replacement Rate is implemented in accordance with Section 4.2.(b) below, if, on or prior to the determination of LIBOR for any Interest Period:

(i) the Administrative Agent shall determine (which determination shall be conclusive absent manifest error) that reasonable and adequate means do not exist for the ascertaining LIBOR for such Interest Period;

(ii) the Administrative Agent reasonably determines (which determination shall be conclusive absent manifest error) that quotations of interest rates for the relevant deposits referred to in the definition of LIBOR are not being provided in the relevant amounts or for the relevant maturities for purposes of determining rates of interest for LIBOR Loans as provided herein; or

(iii) the Administrative Agent reasonably determines (which determination shall be conclusive absent manifest error) that the relevant rates of interest referred to in the definition of LIBOR upon the basis of which the rate of interest for LIBOR Loans for such Interest Period is to be determined are not likely to adequately cover the cost to any Lender of making or maintaining LIBOR Loans for such Interest Period,

then the Administrative Agent shall give the Borrower and each Lender prompt notice thereof and, so long as such condition remains in effect, all of the Lenders, in the case of the immediately preceding clauses (i) and (ii), and any Lender affected thereby, in the case of the immediately preceding clause (iii), shall be under no obligation to, and shall not, make additional LIBOR Loans, Continue LIBOR Loans or Convert Loans into LIBOR Loans, unless and until such Lender gives notice as provided in Section 4.5. that such condition no longer exists, and, so long as such condition remains in effect, such Lender's LIBOR Loans shall be treated in accordance with Section 4.5.

(b) Alternative Rate of Interest. Notwithstanding anything to the contrary in Section 4.2.(a) above, if the Administrative Agent has made the determination (such determination to be conclusive absent manifest error) that (i) the circumstances described in Section 4.2.(a)(i) or (a)(ii) have arisen and that such circumstances are unlikely to be temporary, (ii) any applicable interest rate specified herein is no longer a widely recognized benchmark rate for newly originated loans in the U.S. syndicated loan market in the applicable currency or (iii) the applicable supervisor or administrator (if any) of any applicable interest rate specified herein or any Governmental Authority having, or purporting to have, jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which any applicable interest rate specified herein shall no longer be used for determining interest rates for loans in the U.S. syndicated loan market in the applicable currency, then the Administrative Agent may, to the extent practicable (in consultation with the Borrower and as determined by the Administrative Agent to be generally in accordance with similar situations in other transactions in which it is serving as administrative agent or otherwise consistent with market practice generally), establish a replacement interest rate (the "**Replacement Rate**"), in which case, the Replacement Rate shall, subject to the next two sentences, replace such applicable interest rate for all purposes under the Loan Documents unless and until (A) an event described in Section 4.2.(a)(i), (a)(ii), (b)(i), (b)(ii) or (b)(iii) occurs with respect to the Replacement Rate or (B) the Administrative Agent (or the Requisite Lenders through the Administrative Agent) notifies the Borrower that the Replacement Rate does not adequately and fairly reflect the cost to the Lenders of funding the Loans bearing interest at the Replacement Rate, and in which case, the provisions of the last paragraph of Section 4.2(a) shall apply to any Loans accruing interest at the Replacement Rate in the same manner as would apply to LIBOR Loans affected by the same circumstances. In connection with the establishment and

application of the Replacement Rate, this Agreement and the other Loan Documents shall be amended solely with the consent of the Administrative Agent and the Borrower, as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 4.2.(b). Notwithstanding anything to the contrary in this Agreement or the other Loan Documents (including, without limitation, Section 12.6.), such amendment shall become effective without any further action or consent of any party other than the Administrative Agent and the Borrower so long as the Administrative Agent shall not have received, within five (5) Business Days of the delivery of such amendment to the Lenders, written notices from such Lenders that in the aggregate constitute Requisite Lenders, with each such notice stating that such Lender objects to such amendment (which such notice shall note with specificity the particular provisions of the amendment to which such Lender objects). To the extent the Replacement Rate is approved by the Administrative Agent in connection with this clause (b), the Replacement Rate shall be applied in a manner consistent with market practice; provided that, in each case, to the extent such market practice is not administratively feasible for the Administrative Agent, such Replacement Rate shall be applied as otherwise reasonably determined by the Administrative Agent (it being understood that any such modification by the Administrative Agent shall not require the consent of, or consultation with, any of the Lenders).

Section ~~4.1.4.3.~~ 4.3. Illegality.

Notwithstanding any other provision of this Agreement, if any Lender shall determine (which determination shall be conclusive and binding) that due to a Regulatory Change it is unlawful for such Lender to honor its obligation to make or maintain LIBOR Loans hereunder, then such Lender shall promptly notify the Borrower thereof (with a copy of such notice to the Administrative Agent) and such Lender's obligation to make or Continue, or to Convert Loans of any other Type into, LIBOR Loans shall be suspended until such time as such Lender may again make and maintain LIBOR Loans (in which case the provisions of Section 4.5. shall be applicable).

Section ~~4.1.4.4.~~ 4.4. Compensation.

The Borrower shall pay to the Administrative Agent for the account of each Lender, upon the request of the Administrative Agent, such amount or amounts as the Administrative Agent shall determine in its sole discretion shall be sufficient to compensate such Lender for any loss, cost or expense attributable to:

(a) any payment or prepayment (whether mandatory or optional) of a LIBOR Loan, or Conversion of a LIBOR Loan, made by such Lender for any reason (including, without limitation, acceleration) on a date other than the last day of the Interest Period for such Loan; or

(b) any failure by the Borrower for any reason (including, without limitation, the failure of any of the applicable conditions precedent specified in Section 5.2. to be satisfied) to borrow a LIBOR Loan from such Lender on the date for such borrowing, or to Convert a Base Rate Loan into a LIBOR Loan or Continue a LIBOR Loan on the requested date of such Conversion or Continuation.

Not in limitation of the foregoing, such compensation shall include, without limitation, in the case of a LIBOR Loan, an amount equal to the then present value of (A) the amount of interest that would have accrued on such LIBOR Loan for the remainder of the Interest Period at the rate applicable to such LIBOR Loan, less (B) the amount of interest that would accrue on the same LIBOR Loan for the same period if LIBOR were set on the date on which such LIBOR Loan was repaid, prepaid or Converted or the date on which the Borrower failed to borrow, Convert or Continue such LIBOR Loan, as applicable, calculating present value by using as a discount rate LIBOR quoted on such date. Upon the Borrower's request, the Administrative Agent shall provide the Borrower with a statement setting forth the basis for requesting such compensation and the method for determining the amount thereof. Any such statement shall be conclusive absent manifest error.

Section ~~4.1.4.5.~~ 4.5. Treatment of Affected Loans.

If the obligation of any Lender to make LIBOR Loans or to Continue, or to Convert Base Rate Loans into, LIBOR Loans, shall be suspended pursuant to Section 4.1.(c), Section 4.2. or Section 4.3., then such Lender's LIBOR Loans shall be automatically Converted into Base Rate Loans on the last day(s) of the then current Interest Period(s) for LIBOR Loans (or, in the case of a Conversion required by Section 4.1.(c), Section 4.2., or Section 4.3. on such earlier date as such Lender or the Administrative Agent, as applicable, may specify to the Borrower (with a copy to

the Administrative Agent, as applicable)) and, unless and until such Lender or the Administrative Agent, as applicable, gives notice as provided below that the circumstances specified in Section 4.1., Section 4.2. or Section 4.3. that gave rise to such Conversion no longer exist:

(a) to the extent that such Lender's LIBOR Loans have been so Converted, all payments and prepayments of principal that would otherwise be applied to such Lender's LIBOR Loans shall be applied instead to its Base Rate Loans; and

(b) all Loans that would otherwise be made or Continued by such Lender as LIBOR Loans shall be made or Continued instead as Base Rate Loans, and all Base Rate Loans of such Lender that would otherwise be Converted into LIBOR Loans shall remain as Base Rate Loans.

If such Lender or the Administrative Agent, as applicable, gives notice to the Borrower (with a copy to the Administrative Agent, as applicable) that the circumstances specified in Section 4.1.(c) or 4.3. that gave rise to the Conversion of such Lender's LIBOR Loans pursuant to this Section no longer exist (which such Lender or the Administrative Agent, as applicable, agrees to do promptly upon such circumstances ceasing to exist) at a time when LIBOR Loans made by other Lenders are outstanding, then such Lender's Base Rate Loans shall be automatically Converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding LIBOR Loans, to the extent necessary so that, after giving effect thereto, all Loans held by the Lenders holding LIBOR Loans and by such Lender are held pro rata (as to principal amounts, Types and Interest Periods) in accordance with their respective Revolving Commitment Percentages or Term Loan Percentages, as applicable.

Section ~~4.1~~4.6. Affected Lenders.

If (a) a Lender requests compensation pursuant to Section 3.10. or 4.1., and the Requisite Lenders are not also doing the same, (b) the obligation of any Lender to make LIBOR Loans or to Continue, or to Convert Base Rate Loans into, LIBOR Loans shall be suspended pursuant to Section 4.1.(b) or 4.3. but the obligation of the Requisite Lenders shall not have been suspended under such Sections, or (c) a Lender does not vote in favor of any amendment, modification or waiver to this Agreement or any other Loan Document which, pursuant to Section 12.6.(b), requires the vote of such Lender, and the Requisite Lenders shall have voted in favor of such amendment, modification or waiver then, so long as there does not then exist any Default or Event of Default, the Borrower may demand that such Lender (the "Affected Lender"), and upon such demand the Affected Lender shall promptly, assign its Revolving Commitment and Term Loan, as applicable, to an Eligible Assignee subject to and in accordance with the provisions of Section 12.5.(b) for a purchase price equal to (x) the aggregate principal balance of all Loans then owing to the Affected Lender, plus (y) in the case of an Affected Lender that is a Revolving Lender, the aggregate amount of payments previously made by the Affected Lender under Section 2.3.(j) that have not been repaid, plus (z) any accrued but unpaid interest thereon and accrued but unpaid fees owing to the Affected Lender, or any other amount as may be mutually agreed upon by such Affected Lender and Eligible Assignee. Each of the Administrative Agent and the Affected Lender shall reasonably cooperate in effectuating the replacement of such Affected Lender under this Section, but at no time shall the Administrative Agent, such Affected Lender nor any other Lender nor any Titled Agent be obligated in any way whatsoever to initiate any such replacement or to assist in finding an Eligible Assignee. The exercise by the Borrower of its rights under this Section shall be at the Borrower's sole cost and expense and at no cost or expense to the Administrative Agent, the Affected Lender or any of the other Lenders. The terms of this Section shall not in any way limit the Borrower's obligation to pay to any Affected Lender compensation owing to such Affected Lender pursuant to this Agreement (including, without limitation, pursuant to Sections 3.10., 4.1. or 4.4.) with respect to any period up to the date of replacement.

Section ~~4.1~~4.7. Change of Lending Office.

Each Lender agrees that it will use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate an alternate Lending Office with respect to any of its Loans affected by the matters or circumstances described in Sections 3.10., 4.1. or 4.3. to reduce the liability of the Borrower or avoid the results provided thereunder, so long as such designation is not disadvantageous to such Lender as determined by such Lender in its sole discretion, except that such Lender shall have no obligation to designate a Lending Office located in the United States of America.

Section ~~4.1.4.8.~~ Assumptions Concerning Funding of LIBOR Loans.

Calculation of all amounts payable to a Lender under this Article shall be made as though such Lender had actually funded LIBOR Loans through the purchase of deposits in the relevant market bearing interest at the rate applicable to such LIBOR Loans in an amount equal to the amount of the LIBOR Loans and having a maturity comparable to the relevant Interest Period; provided, however, that each Lender may fund each of its LIBOR Loans in any manner it sees fit and the foregoing assumption shall be used only for calculation of amounts payable under this Article.

~~Article~~ARTICLE V. Conditions Precedent

Section 5.1. Initial Conditions Precedent.

The effectiveness of this Agreement and the obligation of the Lenders to effect or permit the occurrence of the first Credit Event hereunder, whether as the making of a Loan or the issuance of a Letter of Credit, are subject to the satisfaction or waiver of the following conditions precedent:

(a) The Administrative Agent shall have received each of the following, in form and substance satisfactory to the Administrative Agent:

(i) counterparts of this Agreement executed by each of the parties hereto;

(ii) Revolving Notes and Term Notes executed by the Borrower, payable to each applicable Lender (other than any Lender that has requested that it not receive a Note) and complying with the terms of Section 2.11.(a) and the Swingline Note executed by the Borrower;

(iii) the Guaranty executed by each of the Guarantors, if any, initially to be a party thereto;

(iv) an opinion of Sullivan & Worcester LLP, and an opinion of Saul Ewing Arnstein & Lehr LLP, special Maryland counsel, in each case, counsel to the Borrower and the other Loan Parties, addressed to the Administrative Agent and the Lenders and covering such matters as the Administrative Agent may reasonably request;

(v) the certificate or articles of incorporation or formation, articles of organization, certificate of limited partnership, declaration of trust or other comparable organizational instrument (if any) of each Loan Party certified as of a recent date by the Secretary of State of the state of formation of such Loan Party;

(vi) a certificate of good standing (or certificate of similar meaning) with respect to each Loan Party issued as of a recent date by the Secretary of State of the state of formation of each such Loan Party and certificates of qualification to transact business or other comparable certificates issued as of a recent date by each Secretary of State (and any state department of taxation, as applicable) of each state in which such Loan Party is required to be so qualified and where failure to be so qualified could reasonably be expected to have a Material Adverse Effect;

(vii) a certificate of incumbency signed by the Secretary or Assistant Secretary (or other individual performing similar functions) of each Loan Party with respect to each of the officers of such Loan Party authorized to execute and deliver the Loan Documents to which such Loan Party is a party, and in the case of the Borrower, authorized to execute and deliver on behalf of the Borrower Notices of Borrowing, Notices of Swingline Borrowing, requests for Letters of Credit, Notices of Conversion and Notices of Continuation;

(viii) copies certified by the Secretary or Assistant Secretary (or other individual performing similar functions) of each Loan Party of (A) the by-laws of such Loan Party, if a corporation, the operating agreement, if a limited liability company, the partnership agreement, if a limited or general partnership, or other comparable

document in the case of any other form of legal entity and (B) all corporate, partnership, member or other necessary action taken by such Loan Party to authorize the execution, delivery and performance of the Loan Documents to which it is a party;

(ix) a Compliance Certificate calculated as of the Effective Date on a pro forma basis for the Borrower's fiscal quarter ending December 31, 2017;

(x) a Disbursement Instruction Agreement effective as of the Agreement Date;

(xi) evidence that the Fees, if any, then due and payable under Section 3.5., together with all other fees, expenses and reimbursement amounts due and payable to the Administrative Agent and any of the Lenders, including without limitation, the fees and expenses of counsel to the Administrative Agent, have been paid;

(xii) a copy of all Operating Agreements, all Ancillary Agreements, the Business Management Agreement, the Property Management Agreement, in each case certified as true, correct and complete by the chief operating officer or chief financial officer of the Borrower; and

(xiii) such other documents, agreements and instruments as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably request;

(b) there shall not have occurred or become known to the Administrative Agent or any of the Lenders any event, condition, situation or status since the date of the information contained in the financial and business projections, budgets, pro forma data and forecasts concerning the Borrower and its Subsidiaries delivered to the Administrative Agent and the Lenders prior to the Agreement Date that has had or could reasonably be expected to result in a Material Adverse Effect;

(c) no litigation, action, suit, investigation or other arbitral, administrative or judicial proceeding shall be pending or threatened which could reasonably be expected to (i) result in a Material Adverse Effect or (ii) restrain or enjoin, impose materially burdensome conditions on, or otherwise materially and adversely affect, the ability of the Borrower or any other Loan Party to fulfill its obligations under the Loan Documents to which it is a party;

(d) the Borrower and its Subsidiaries shall have received all approvals, consents and waivers, and shall have made or given all necessary filings and notices as shall be required to consummate the transactions contemplated hereby without the occurrence of any default under, conflict with or violation of (i) any Applicable Law or (ii) any agreement, document or instrument to which any Loan Party is a party or by which any of them or their respective properties is bound, except for such approvals, consents, waivers, filings and notices the receipt, making or giving of which could not reasonably be likely to (A) have a Material Adverse Effect, or (B) restrain or enjoin or impose materially burdensome conditions on, or otherwise materially and adversely affect the ability of the Borrower or any other Loan Party to fulfill its obligations under the Loan Documents to which it is a party;

(e) the Borrower and each other Loan Party shall have provided all information requested by the Administrative Agent and each Lender in order to comply with applicable "know your customer" and anti-money laundering rules and regulations, including without limitation, the Patriot Act; and

(f) there shall not have occurred or exist any other material disruption of financial or capital markets that could reasonably be expected to materially and adversely affect the transactions contemplated by the Loan Documents.

Section 5.1.5.2. Conditions Precedent to All Loans and Letters of Credit.

In addition to the satisfaction or waiver of the conditions precedent contained in Section 5.1., the obligations of (i) Lenders to make any Loans and (ii) the Issuing Banks to issue, to extend the expiration date of, or to increase the Stated Amount of, Letters of Credit are each subject to the further conditions precedent that: (a) no Default or Event of Default shall exist as of the date of the making of such Loan or date of issuance, extension or increase of such Letter of Credit or would exist immediately after giving effect thereto, and no violation of the limits described in Section 2.15.

would occur after giving effect thereto; (b) the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party, shall be true and correct in all material respects (except in the case of a representation or warranty qualified by materiality, in which case such representation or warranty shall be true and correct in all respects) on and as of the date of the making of such Loan or date of issuance, extension or increase of such Letter of Credit with the same force and effect as if made on and as of such date except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects (except in the case of a representation or warranty qualified by materiality, in which case such representation or warranty shall be true and correct in all respects) on and as of such earlier date) and except for changes in factual circumstances specifically and expressly permitted hereunder ~~and~~, (c) in the case of the borrowing of Revolving Loans, the Administrative Agent shall have received a timely Notice of Borrowing, in the case of a Swingline Loan, the applicable Swingline Lender shall have received a timely Notice of Swingline Borrowing or in the case of the issuance of a Letter of Credit, the applicable Issuing Bank and the Administrative Agent shall have received a timely request for the issuance of such Letter of Credit, (d) in the case of any Credit Event occurring during the period commencing on the date immediately following the Temporary Waiver Period Expiration Date and ending on the date upon which the Borrower delivers to the Administrative Agent a Compliance Certificate in accordance with Section 8.3 with respect to the fiscal quarter ending June 30, 2021, the Borrower shall have delivered to the Administrative Agent evidence of the Borrower's compliance with the financial covenants set forth in Section 9.1(a) and Section 9.1(d) (each as adjusted pursuant to the last paragraph of Section 9.1) using pro forma projections based upon results through the most recently ended period for which such financial information is available to the Borrower, and (e) in the case of any Credit Event occurring at any time Equity Pledges are required pursuant to Section 7.14, upon giving effect to such Credit Event, the Borrower shall be in compliance with Section 7.14, including the requirement that the Collateral Value Percentage is less than fifty percent (50%) after giving effect to the requested Credit Event. Each Credit Event shall constitute a certification by the Borrower to the effect set forth in the preceding sentence (both as of the date of the giving of notice relating to such Credit Event and, unless the Borrower otherwise notifies the Administrative Agent prior to the date of such Credit Event, as of the date of the occurrence of such Credit Event). In addition, the Borrower shall be deemed to have represented to the Administrative Agent and the Lenders at the time any Loan is made or any Letter of Credit is issued, extended or increased, that all conditions to the making of such Loan or issuing, extending or increasing of such Letter of Credit contained in this Article V. have been satisfied. Unless set forth in writing to the contrary, the making of its initial Loan by a Lender shall constitute a certification by such Lender to the Administrative Agent for the benefit of the Administrative Agent and the Lenders that the conditions precedent for initial Loans set forth in Sections 5.1. and 5.2. that have not previously been waived by the Lenders in accordance with the terms of this Agreement have been satisfied.

~~Article~~ **ARTICLE VI. Representations and Warranties**

Section 6.1. Representations and Warranties.

In order to induce the Administrative Agent and each Lender to enter into this Agreement and to make Loans and, in the case of an Issuing Bank, to issue Letters of Credit, the Borrower represents and warrants to the Administrative Agent, each Issuing Bank and each Lender as follows:

(a) Organization; Power; Qualification. Each of the Borrower, the other Loan Parties and the other Subsidiaries is a corporation, partnership or other legal entity, duly organized or formed, validly existing and in good standing under the jurisdiction of its incorporation or formation, has the power and authority to own or lease its respective properties and to carry on its respective business as now being and hereafter proposed to be conducted and is duly qualified and is in good standing as a foreign corporation, partnership or other legal entity, and authorized to do business, in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization and where the failure to be so qualified or authorized could reasonably be expected to have, in each instance, a Material Adverse Effect.

(b) Ownership Structure. Part I of Item 6.1.(b) of the Borrower Letter is, as of the Agreement Date, a complete and correct list of all Subsidiaries of the Borrower setting forth for each such Subsidiary, (i) the jurisdiction of organization of such Subsidiary, (ii) each Person holding any Equity Interest in such Subsidiary, (iii) the nature of

the Equity Interests held by each such Person, (iv) the percentage of ownership of such Subsidiary represented by such Equity Interests and (v) whether such Subsidiary is an Excluded Subsidiary and/or a Foreign Subsidiary. As of the Agreement Date, except as disclosed in such Schedule, (A) each of the Borrower and its Subsidiaries owns, free and clear of all Liens, and has the unencumbered right to vote, all outstanding Equity Interests in each Person shown to be held by it on such Schedule, (B) all of the issued and outstanding capital stock of each such Person organized as a corporation is validly issued, fully paid and nonassessable and (C) there are no outstanding subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including, without limitation, any stockholders' or voting trust agreements) for the issuance, sale, registration or voting of, or outstanding securities convertible into, any additional shares of capital stock of any class, or partnership or other ownership interests of any type in, any such Person. As of the Agreement Date, Part II of Item 6.1.(b) of the Borrower Letter correctly sets forth all Unconsolidated Affiliates of the Borrower, including the correct legal name of such Person, the type of legal entity which each such Person is, and all Equity Interests in such Person held directly or indirectly by the Borrower.

(c) Authorization of Loan Documents and Borrowings. The Borrower has the right and power, and has taken all necessary action to authorize it, to borrow and obtain other extensions of credit hereunder. The Borrower and each other Loan Party has the right and power, and has taken all necessary action to authorize it, to execute, deliver and perform each of the Loan Documents and the Fee Letter to which it is a party in accordance with their respective terms and to consummate the transactions contemplated hereby and thereby. The Loan Documents and the Fee Letter to which the Borrower or any other Loan Party is a party have been duly executed and delivered by the duly authorized officers of such Person and each is a legal, valid and binding obligation of such Person enforceable against such Person in accordance with its respective terms, except as the same may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and the availability of equitable remedies for the enforcement of certain obligations (other than the payment of principal) contained herein or therein and as may be limited by equitable principles generally.

(d) Compliance of Loan Documents with Laws. The execution, delivery and performance of this Agreement, the other Loan Documents to which any Loan Party is a party and of the Fee Letter in accordance with their respective terms and the borrowings and other extensions of credit hereunder do not and will not, by the passage of time, the giving of notice, or both: (i) require any Governmental Approval or violate any Applicable Law (including all Environmental Laws) relating to the Borrower or any other Loan Party; (ii) conflict with, result in a breach of or constitute a default under the organizational documents of any Loan Party, or any indenture, agreement or other instrument to which the Borrower or any other Loan Party is a party or by which it or any of its respective properties may be bound; or (iii) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by any Loan Party other than in favor of the Administrative Agent for its benefit and the benefit of the Lenders and the Issuing Banks.

(e) Compliance with Law; Governmental Approvals. Each of the Borrower, the other Loan Parties and the other Subsidiaries is in compliance with each Governmental Approval and all other Applicable Laws relating to it except for noncompliances which, and Governmental Approvals the failure to possess which, could not, individually or in the aggregate, reasonably be expected to cause a Default or Event of Default or have a Material Adverse Effect.

(f) Title to Properties; Liens. Part I of Item 6.1.(f) of the Borrower Letter is, as of the Agreement Date, a complete and correct listing of all real estate assets of the Borrower, each other Loan Party and each other Subsidiary. Each of the Borrower, each other Loan Party and each other Subsidiary has good, marketable and legal title to, or a valid leasehold interest in, its respective assets. As of the Agreement Date, there are no Liens against any assets of the Borrower, any Subsidiary or any other Loan Party except for Permitted Liens.

(g) Existing Indebtedness. As of the Agreement Date, the Borrower, the other Loan Parties and the other Subsidiaries have performed and are in compliance with all of the terms of their Indebtedness and all instruments and agreements relating thereto, and no default or event of default, or event or condition which with the giving of notice, the lapse of time, or both, would constitute a default or event of default, exists with respect to any such Indebtedness.

(h) [Intentionally Omitted.]

(i) Litigation. Except as set forth on Schedule 6.1.(i), there are no actions, suits or proceedings pending (nor, to the knowledge of any Loan Party, are there any actions, suits or proceedings threatened, nor is there any basis therefor) against or in any other way relating adversely to or affecting the Borrower, any other Loan Party, any other Subsidiary or any of their respective property in any court or before any arbitrator of any kind or before or by any other Governmental Authority which, (i) could reasonably be expected to have a Material Adverse Effect or (ii) in any manner draws into question the validity or enforceability of any Loan Document or the Fee Letter. There are no strikes, slow downs, work stoppages or walkouts or other labor disputes in progress or threatened relating to, any Loan Party or any other Subsidiary that could reasonably be expected to have a Material Adverse Effect.

(j) Taxes. All federal, state and other material tax returns of the Borrower, each other Loan Party and each other Subsidiary required by Applicable Law to be filed (after taking into account any extensions of time within to file such tax returns) have been duly filed, and all federal, state and other taxes, assessments and other governmental charges or levies upon, each Loan Party, each other Subsidiary and their respective properties, income, profits and assets which are due and payable have been paid, except any such nonpayment or non-filing which is at the time permitted under Section 7.6. As of the Agreement Date, none of the United States income tax returns of the Borrower, any other Loan Party or any other Subsidiary is under audit. All charges, accruals and reserves on the books of the Borrower, the other Loan Parties and the other Subsidiaries in respect of any taxes or other governmental charges are in accordance with GAAP.

(k) Financial Statements. The Borrower has furnished to each Lender copies of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries for the fiscal year ended December 31, 2017, and the related audited consolidated statements of operations, shareholders' equity and cash flow for the fiscal year ended on such date, with the opinion thereon of Ernst & Young LLP. Such financial statements (including in each case related schedules and notes) are complete and correct in all material respects and present fairly, in accordance with GAAP consistently applied throughout the periods involved, the consolidated financial position of the Borrower and its consolidated Subsidiaries as at their respective dates and the results of operations and the cash flow for such periods (subject, as to interim statements, to changes resulting from normal year-end audit adjustments). Neither the Borrower nor any of its Subsidiaries has on the Agreement Date any material contingent liabilities, liabilities, liabilities for taxes, unusual or long-term commitments or unrealized or forward anticipated losses from any unfavorable commitments that would be required to be set forth in its financial statements or notes thereto, except as referred to or reflected or provided for in said financial statements.

(l) No Material Adverse Change. Since December 31, 2017, there has been no material adverse change in the consolidated financial condition, results of operations or business of the Borrower and its consolidated Subsidiaries taken as a whole; [provided that, during the Temporary Waiver Period, any such determination under this clause \(l\) shall exclude any event or circumstance resulting from the COVID-19 pandemic to the extent that \(i\) such event or circumstance has been disclosed in writing by the Borrower to the Lenders or publicly, or in the public domain, prior to the Second Amendment Effective Date and \(ii\) the scope of such adverse effect is not materially greater than that which has been disclosed](#). Each of the Borrower, the other Loan Parties, and the Borrower and its Subsidiaries taken as a whole, is Solvent.

(m) REIT Status. The Borrower qualifies as, and has elected to be treated as, a REIT and is in compliance with all requirements and conditions imposed under the Internal Revenue Code to allow the Borrower to maintain its status as a REIT.

(n) ERISA.

(i) Each Benefit Arrangement is in compliance with the applicable provisions of ERISA, the Internal Revenue Code and other Applicable Laws in all material respects. Except with respect to Multiemployer Plans, each Qualified Plan (A) has received a favorable determination from the Internal Revenue Service applicable to such Qualified Plan's current remedial amendment cycle (as defined in Revenue Procedure 2007-44 or "2007-44" for short), (B) has timely filed for a favorable determination letter from the Internal Revenue Service during its staggered remedial amendment cycle (as defined in 2007-44) and such application is currently being processed by the Internal Revenue Service, (C) had filed for a determination

letter prior to its “GUST remedial amendment period” (as defined in 2007-44) and received such determination letter and the staggered remedial amendment cycle first following the GUST remedial amendment period for such Qualified Plan has not yet expired, or (D) is maintained under a prototype plan and may rely upon a favorable opinion letter issued by the Internal Revenue Service with respect to such prototype plan. To the best knowledge of the Borrower, nothing has occurred which would cause the loss of its reliance on each Qualified Plan’s favorable determination letter or opinion letter.

(ii) With respect to any Benefit Arrangement that is a retiree welfare benefit arrangement, all amounts have been accrued on the applicable ERISA Group’s financial statements in accordance with FASB ASC 715. The “benefit obligation” of all Plans does not exceed the “fair market value of plan assets” for such Plans by more than \$10,000,000 all as determined by and with such terms defined in accordance with FASB ASC 715.

(iii) Except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: (i) no ERISA Event has occurred or is expected to occur; (ii) there are no pending, or to the best knowledge of the Borrower, threatened, claims, actions or lawsuits or other action by any Governmental Authority, plan participant or beneficiary with respect to a Benefit Arrangement; (iii) there are no violations of the fiduciary responsibility rules with respect to any Benefit Arrangement; and (iv) no member of the ERISA Group has engaged in a non-exempt “prohibited transaction,” as defined in Section 406 of ERISA and Section 4975 of the Internal Revenue Code, in connection with any Plan, that would subject any member of the ERISA Group to a tax on prohibited transactions imposed by Section 502(i) of ERISA or Section 4975 of the Internal Revenue Code.

(o) Absence of Default. None of the Loan Parties or any of the other Subsidiaries is in default under its certificate or articles of incorporation or formation, bylaws, partnership agreement or other similar organizational documents, and no event has occurred, which has not been remedied, cured or waived: (i) which constitutes a Default or an Event of Default; or (ii) which constitutes, or which with the passage of time, the giving of notice, or both, would constitute, a default or event of default by, any Loan Party or any other Subsidiary under any agreement (other than this Agreement) or judgment, decree or order to which any such Person is a party or by which any such Person or any of its respective properties may be bound where such default or event of default could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(p) Environmental Laws. In the ordinary course of business and from time to time each of the Borrower, each other Loan Party and each other Subsidiary conducts reviews of the effect of Environmental Laws on its re-spective business, operations and properties, including without limitation, its respective Properties. Each of the Borrower, each other Loan Party and each other Subsidiary: (i) is in compliance with all Environmental Laws applicable to its business, operations and the Properties, (ii) has obtained all Governmental Approvals which are required under Environmental Laws, and each such Governmental Approval is in full force and effect, and (iii) is in compliance with all terms and conditions of such Governmental Approvals, where with respect to each of the immediately preceding clauses (i) through (iii) the failure to obtain or to comply with could reasonably be expected to have a Material Adverse Effect. Except for any of the following matters that could not reasonably be expected to have a Material Adverse Effect, no Loan Party has any knowledge of, or has received notice of, any past, present, or pending releases, events, conditions, circumstances, activities, practices, incidents, facts, occurrences, actions, or plans that, with respect to any Loan Party or any other Subsidiary, their respective businesses, operations or with respect to the Properties, may: (x) cause or contribute to an actual or alleged violation of or noncompliance with Environmental Laws, (y) cause or contribute to any other potential common-law or legal claim or other liability, or (z) cause any of the Properties to become subject to any restrictions on ownership, occupancy, use or transferability under any Environmental Law or require the filing or recording of any notice, approval or disclosure document under any Environmental Law and, with respect to the immediately preceding clauses (x) through (z) is based on or related to the on-site or off-site manufacture, generation, processing, distribution, use, treatment, storage, disposal, transport, removal, clean up or handling, or the emission, discharge, release or threatened release of any wastes or Hazardous Material, or any other requirement under Environmental Law. There is no civil, criminal, or administrative action, suit, demand, claim, hearing, notice, or demand letter, mandate, order, lien, request, investigation, or proceeding pending or, to the Borrower’s knowledge after due inquiry, threatened, against the Borrower, any other Loan Party or any other Subsidiary relating in any way

to Environmental Laws which reasonably could be expected to have a Material Adverse Effect. As of the Agreement Date, none of the Properties is listed on or proposed for listing on the National Priority List promulgated pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and its implementing regulations, or any state or local priority list promulgated pursuant to any analogous state or local law. No Hazardous Materials have been transported, released, discharged or disposed on any of the Properties other than (x) in compliance with all applicable Environmental Laws or (y) as could not reasonably be expected to have a Material Adverse Effect.

(q) Investment Company. None of the Borrower, any other Loan Party or any other Subsidiary is (i) an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended, or (ii) subject to any other Applicable Law which purports to regulate or restrict its ability to borrow money or obtain other extensions of credit or to consummate the transactions contemplated by this Agreement or to perform its obligations under any Loan Document to which it is a party.

(r) Margin Stock. None of the Borrower, any other Loan Party or any other Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying “margin stock” within the meaning of Regulation U of the Board of Governors of the Federal Reserve System.

(s) Affiliate Transactions. Except as permitted by Section 9.8., none of the Borrower, any other Loan Party or any other Subsidiary is a party to or bound by any agreement or arrangement with any Affiliate entered into after the Agreement Date.

(t) Intellectual Property. Each of the Loan Parties and each other Subsidiary owns or has the right to use, under valid license agreements or otherwise, all patents, licenses, franchises, trademarks, trademark rights, service marks, service mark rights, trade names, trade name rights, trade secrets and copyrights (collectively, “Intellectual Property”) necessary to the conduct of its businesses, without known conflict with any patent, license, franchise, trademark, trademark right, service mark, service mark right, trade secret, trade name, copyright, or other proprietary right of any other Person except for such Intellectual Property, the absence of which, and for conflicts which, could not reasonably be expected to have a Material Adverse Effect. Each of the Loan Parties and each other Subsidiary has taken all such steps as it deems reasonably necessary to protect its respective rights under and with respect to such Intellectual Property. No material claim has been asserted by any Person with respect to the use of any such Intellectual Property by the Borrower, any other Loan Party or any other Subsidiary, or challenging or questioning the validity or effectiveness of any such Intellectual Property. The use of such Intellectual Property by the Borrower, the other Loan Parties and the other Subsidiaries does not infringe on the rights of any Person, subject to such claims and infringements as do not, in the aggregate, give rise to any liabilities on the part of the Borrower, any other Loan Party or any other Subsidiary that could reasonably be expected to have a Material Adverse Effect.

(u) Business. As of the Agreement Date, the Borrower and its Subsidiaries are engaged substantially in the business of the acquisition, financing, ownership, development, leasing and tenancy (through TRSs) of lodging, service-oriented retail and travel related properties and other businesses activities incidental thereto.

(v) Broker’s Fees. No broker’s or finder’s fee, commission or similar compensation will be payable with respect to the transactions contemplated hereby. No other similar fees or commissions will be payable by any Loan Party for any other services rendered to the Borrower, any other Loan Party or any other Subsidiary ancillary to the transactions contemplated hereby.

(w) Accuracy and Completeness of Information. All written information, reports and other papers and data (other than financial projections and other forward looking statements, and information of a general economic or industry specific nature) furnished to the Administrative Agent or any Lender by, on behalf of, or at the direction of, the Borrower, any other Loan Party or any other Subsidiary were, at the time the same were so furnished, taken as a whole, complete and correct in all material respects, to the extent necessary to give the recipient a true and accurate knowledge of the subject matter, or, in the case of financial statements, present fairly, in accordance with GAAP consistently applied throughout the periods involved, the financial position of the Persons involved as at the date thereof and the results of operations for such periods (subject, as to interim statements, to changes resulting from

normal year end audit adjustments and absence of full footnote disclosure). All financial projections and other forward looking statements prepared by or on behalf of the Borrower, any other Loan Party or any other Subsidiary that have been or may hereafter be made available to the Administrative Agent or any Lender were or will be prepared in good faith based on reasonable assumptions. No fact is known to any Loan Party which has had, or may in the future have (so far as any Loan Party can reasonably foresee), a Material Adverse Effect which has not been set forth in the financial statements referred to in Section 6.1.(k) or in such information, reports or other papers or data or otherwise disclosed in writing to the Administrative Agent and the Lenders, or in the public domain. No document furnished or written statement made to the Administrative Agent or any Lender in connection with the negotiation, preparation or execution of, or pursuant to, this Agreement or any of the other Loan Documents contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary in order to make the statements contained therein not misleading.

(x) Not Plan Assets; No Prohibited Transactions. None of the assets of the Borrower, any other Loan Party or any other Subsidiary constitutes “plan assets” within the meaning of ERISA, the Internal Revenue Code and the respective regulations promulgated thereunder. Assuming that no Lender funds any amount payable by it hereunder with “plan assets,” as that term is defined in 29 C.F.R. 2510.3-101, the execution, delivery and performance of this Agreement and the other Loan Documents, and the extensions of credit and repayment of amounts hereunder, do not and will not constitute “prohibited transactions” under ERISA or the Internal Revenue Code.

(y) Anti-Corruption Laws; Anti-Money Laundering Laws and Sanctions.

(yi) ~~Anti-Corruption Laws and Sanctions; Anti-Terrorism Laws~~. None of (i) the Borrower, any other Loan Party, any Subsidiary, any of their respective directors, ~~or~~ officers, employees or, to the knowledge of the Borrower, any ~~of the Borrower's or any Subsidiary's employees and agents~~ (i) is an “enemy” or an “ally of the enemy” within the meaning of Section 2 of the Trading with the Enemy Act of the United States, 50 U.S.C. App. §§ 1 et seq., as amended (the “Trading with the Enemy Act”) or (ii) is in violation of (A) the Trading with the Enemy Act, (B) any of the foreign assets control regulations of the United States Treasury Department or any enabling legislation or executive order relating thereto, including without limitation, Executive Order No. 13224, effective as of September 24, 2001 relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (66 Fed. Reg. 49079) Affiliates, or (ii) to the knowledge of the Borrower, any agent or representative of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from this Agreement, (A) is a Sanctioned Person or currently the subject or target of any Sanctions, (B) is controlled by or is acting on behalf of a Sanctioned Person, (C) has its assets located in a Sanctioned Country, (D) is under administrative, civil or criminal investigation for an alleged violation of, or received notice from or made a voluntary disclosure to any governmental entity regarding a possible violation of, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions by a governmental authority that enforces Sanctions or any Anti-Corruption Laws or Anti-Money Laundering Laws, or (E) directly or indirectly derives revenues from investments in, or transactions with, Sanctioned Persons.

~~(2001) or (C) the Patriot Act (collectively, the “Anti-Terrorism Laws”). The~~ (ii) Each of the Borrower and its Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, ~~and~~ its Subsidiaries and their respective directors, officers, employees ~~and~~, agents ~~(in their capacities as such) with~~ and, to the knowledge of the Borrower, any Affiliates with all Anti-Corruption Laws, ~~Anti-Terrorism~~ Anti-Money Laundering Laws and applicable Sanctions, ~~and~~.

~~the Borrower, its Subsidiaries and their respective directors, officers, employees and agents are in compliance with Anti-Corruption Laws, Anti-Terrorism Laws and applicable Sanctions in all material respects. None of the Borrower or any Subsidiary is, or derives any of its assets or operating income from investments in or transactions with, a Sanctioned Person and none of the respective directors, officers, or to the knowledge of the Borrower, employees or agents of the Borrower or any of its Subsidiaries is a Sanctioned Person.~~ (iii) Each of the Borrower and its Subsidiaries, each director, officer, employee, agent and, to the knowledge of the Borrower, any Affiliate of Borrower and each such Subsidiary, is in compliance with all Anti-Corruption Laws, Anti-Money Laundering Laws in all respects and applicable Sanctions.

(iv) No proceeds of any Loans have been used, directly or indirectly, by the Borrower, any of its Subsidiaries or any of its or their respective directors, officers, employees and agents in violation of Section 9.11(b).

(z) Unencumbered Assets. As of the Agreement Date, Item 6.1.(z) of the Borrower Letter is a correct and complete list of all Unencumbered Assets. Each of the Properties included by the Borrower in calculations of Unencumbered Asset Value satisfies all of the requirements contained in the definition of “Unencumbered Asset”.

(aa) Insurance. The Borrower or a Subsidiary maintains, or the related Operating Agreement requires the Operator thereunder to maintain, with respect to the Properties commercially reasonable insurance with financially sound and reputable insurance companies.

(bb) Beneficial Ownership Certification. As of the First Amendment Date, all information included in the Beneficial Ownership Certification is true and correct to the knowledge of the officer of the Borrower that executes such certification.

(cc) Affected Financial Institutions. None of the Borrower or any of its Subsidiaries is an Affected Financial Institution.

Section ~~6.4~~6.2. Survival of Representations and Warranties, Etc.

All statements contained in any certificate, financial statement or other instrument delivered by or on behalf of any Loan Party or any other Subsidiary to the Administrative Agent or any Lender pursuant to or in connection with this Agreement or any of the other Loan Documents (including, but not limited to, any such statement made in or in connection with any amendment thereto or any statement contained in any certificate, financial statement or other instrument delivered by or on behalf of any Loan Party prior to the Agreement Date and delivered to the Administrative Agent or any Lender in connection with the underwriting or closing the transactions contemplated hereby) shall constitute representations and warranties made by the Borrower under this Agreement. All representations and warranties made under this Agreement and the other Loan Documents shall be deemed to be made at and as of the Agreement Date, the Effective Date, the date on which any extension of the Revolving Termination Date is effectuated pursuant to Section 2.13., the date on which any increase of the Revolving Commitments is effectuated pursuant to Section 2.16., and at and as of the date of the occurrence of each Credit Event, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects (except in the case of a representation or warranty qualified by materiality, in which case such representation or warranty shall be true and correct in all respects) on and as of such earlier date) and except for changes in factual circumstances expressly and specifically permitted hereunder. All such representations and warranties shall survive the effectiveness of this Agreement, the execution and delivery of the Loan Documents and the making of the Loans and the issuance of the Letters of Credit.

~~Article~~ARTICLE VII. Affirmative Covenants

For so long as this Agreement is in effect, the Borrower shall comply with the following covenants:

Section 7.1. Preservation of Existence and Similar Matters.

Except as otherwise permitted under Section 9.4., the Borrower shall, and shall cause each other Loan Party and each other Subsidiary to, preserve and maintain its respective existence, rights, franchises, licenses and privileges in the jurisdiction of its incorporation or formation and qualify and remain qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification and authorization and where the failure to be so authorized and qualified could reasonably be expected to have a Material Adverse Effect.

Section 7.1.7.2. Compliance with Applicable Law and Material Contracts.

The Borrower shall, and shall cause each other Loan Party and each other Subsidiary to, comply with (a) all Applicable Law, including the obtaining of all Governmental Approvals, the failure with which to comply could reasonably be expected to have a Material Adverse Effect and (b) all terms and conditions of all Material Contracts to which it is a party. The Borrower shall maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with all Anti-Corruption Laws, ~~Anti-Terrorism~~Anti-Money Laundering Laws and applicable Sanctions. Borrower will (a) notify the Administrative Agent and each Lender that previously received a Beneficial Ownership Certification (or a certification that the Borrower qualifies for an express exclusion to the “legal entity customer” definition under the Beneficial Ownership Regulation) of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein (or, if applicable, the Borrower ceasing to fall within an express exclusion to the definition of “legal entity customer” under the Beneficial Ownership Regulation) and (b) promptly upon the reasonable request of the Administrative Agent or any Lender, provide the Administrative Agent or such Lender, as the case may be, any information or documentation requested by it for purposes of complying with the Beneficial Ownership Regulation.

Section 7.1.7.3. Maintenance of Property.

In addition to the requirements of any of the other Loan Documents, the Borrower shall, and shall cause each other Loan Party and each other Subsidiary to, (a) protect and preserve, or cause to be protected and preserved, all of its respective material properties, including, but not limited to, all Intellectual Property necessary to the conduct of its respective business, and maintain, or cause to be maintained, in good repair, working order and condition all tangible properties, ordinary wear and tear excepted, and (b) from time to time make or cause to be made all needed and appropriate repairs, renewals, replacements and additions to such properties, so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

Section 7.1.7.4. Conduct of Business.

The Borrower shall, and shall cause each other Loan Party and each other Subsidiary to, carry on its respective businesses as described in Section 6.1.(u).

Section 7.1.7.5. Insurance.

In addition to the requirements of any of the other Loan Documents, the Borrower shall, and shall cause each other Loan Party and each other Subsidiary to, maintain, or cause to be maintained, insurance (on a replacement cost basis) with financially sound and reputable insurance companies against such risks and in such amounts as is customarily maintained by Persons engaged in similar businesses or as may be required by Applicable Law. The Borrower shall from time to time deliver to the Administrative Agent upon request a detailed list, together with copies of all policies of the insurance then in effect, stating the names of the insurance companies, the amounts and rates of the insurance, the dates of the expiration thereof and the properties and risks covered thereby.

Section 7.1.7.6. Payment of Taxes and Claims.

The Borrower shall, and shall cause each other Loan Party and each other Subsidiary to, pay and discharge, or cause to be paid and discharged, when due (a) all federal and state income, and all other material taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or upon any properties belonging to it, and (b) all lawful claims of materialmen, mechanics, carriers, warehousemen and landlords for labor, materials, supplies and rentals which, if unpaid, might become a Lien on any properties of such Person; provided, however, that this Section shall not require the payment or discharge of any such tax, assessment, charge, levy or claim which is being contested in good faith by appropriate proceedings which operate to suspend the collection thereof and for which adequate reserves have been established on the books of such Person in accordance with GAAP.

Section ~~7.1~~7.7. Books and Records; Inspections.

The Borrower shall, and shall cause each other Loan Party and each other Subsidiary to, keep proper books of record and account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities in accordance with GAAP and Applicable Law. The Borrower shall, and shall cause each other Loan Party and each other Subsidiary to, permit representatives of the Administrative Agent or any Lender to visit and inspect any of their respective properties, to examine and make abstracts from any of their respective books and records and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants (in the presence of an officer of the Borrower if an Event of Default does not then exist), all at such reasonable times during business hours and as often as may reasonably be requested and so long as no Event of Default exists, with reasonable prior notice. The Borrower shall be obligated to reimburse the Administrative Agent and the Lenders for their costs and expenses incurred in connection with the exercise of their rights under this Section only if such exercise occurs while a Default or Event of Default exists. If requested by the Administrative Agent, the Borrower shall execute an authorization letter addressed to its accountants authorizing the Administrative Agent or any Lender to discuss the financial affairs of the Borrower, any other Loan Party or any other Subsidiary with the Borrower's accountants.

Section ~~7.1~~7.8. Use of Proceeds.

The Borrower will use the proceeds of the Loans only for the repayment of Indebtedness, the direct or indirect acquisition of properties, working capital and for other general business purposes.

Section ~~7.1~~7.9. Environmental Matters.

The Borrower shall, and shall cause each other Loan Party and each other Subsidiary to, comply, or cause to be complied, with all Environmental Laws the failure with which to comply could reasonably be expected to have a Material Adverse Effect. The Borrower shall comply, and shall cause each other Loan Party and each other Subsidiary to comply, and the Borrower shall use, and shall cause each other Loan Party and each other Subsidiary to use, commercially reasonable efforts to cause all other Persons occupying, using or present on the Properties to comply, with all Environmental Laws the failure with which to comply could reasonably be expected to have a Material Adverse Effect. The Borrower shall, and shall cause each other Loan Party and each other Subsidiary to, promptly take all actions and pay or arrange to pay all costs necessary for it and for the Properties to comply with all Environmental Laws and all Governmental Approvals the failure with which to comply could reasonably be expected to have a Material Adverse Effect, including actions to remove and dispose of all Hazardous Materials and to clean up the Properties as required under Environmental Laws. The Borrower shall, and shall cause each other Loan Party and each other Subsidiary to, promptly take, or cause to be taken, all actions necessary to prevent the imposition of any Liens on any of their respective properties arising out of or related to any Environmental Laws. Nothing in this Section shall impose any obligation or liability whatsoever on the Administrative Agent or any Lender.

Section ~~7.1~~7.10. Further Assurances.

At the Borrower's cost and expense and upon request of the Administrative Agent, the Borrower shall, and shall cause each other Loan Party and each other Subsidiary to, (i) duly execute and deliver or cause to be duly executed and delivered, to the Administrative Agent such further instruments, documents and certificates, and do and cause to be done such further acts that may be reasonably necessary or advisable in the reasonable opinion of the Administrative Agent to carry out more effectively the provisions and purposes of this Agreement and the other Loan Documents, and (ii) take such additional actions and execute such documents as the Administrative Agent may reasonably require from time to time in order to perfect and maintain the validity, effectiveness and (to the extent required hereby) priority of any of the Equity Pledges and the Liens intended to be created by the Pledge Agreement.

Section ~~7.1~~7.11. REIT Status.

The Borrower shall maintain its status as, and election to be treated as, a REIT under the Internal Revenue Code.

Section ~~7.1~~7.12. Exchange Listing.

The Borrower shall maintain at least one class of common shares of the Borrower having trading privileges on the New York Stock Exchange or the NYSE MKT LLC Exchange or which is subject to price quotations on The NASDAQ Stock Market's Global Market System.

Section ~~7.1~~7.13. Guarantors.

(a) Within 10 days after the date on which any of the following conditions first applies to any Subsidiary that is not already a Guarantor, the Borrower shall deliver to the Administrative Agent each of the following in form and substance satisfactory to the Administrative Agent: (i) an Accession Agreement executed by such Subsidiary (or if the Guaranty is not then in existence, a Guaranty executed by such Subsidiary) and (ii) the items that would have been delivered under subsections (iv) through (viii) and (xv) of Section 5.1. (a) and under Section 5.1(e) if such Subsidiary had been required to be a Guarantor on the Agreement Date:

(x) such Subsidiary Guarantees, or otherwise becomes obligated in respect of, any Indebtedness of the Borrower or any other Subsidiary; provided, that a Subsidiary shall not be required to become a Guarantor under this clause (x) if such Subsidiary is an Excluded Subsidiary that has Guaranteed, or otherwise become obligated in respect of, any Indebtedness of another Excluded Subsidiary; or

(y) (A) such Subsidiary owns an Unencumbered Asset or other asset the value of which is included in the determination of Unencumbered Asset Value and (B) such Subsidiary, or any other Subsidiary directly or indirectly owning any Equity Interest in such Subsidiary, has incurred, acquired or suffered to exist, any Indebtedness that is not Nonrecourse Indebtedness.

(b) The Borrower may request in writing that the Administrative Agent release, and upon receipt of such request the Administrative Agent shall release, a Guarantor from the Guaranty so long as: (i) either (A) simultaneously with its release from the Guaranty such Subsidiary will cease to be a Subsidiary or (B) such Guarantor is not otherwise required to be a party to the Guaranty under the immediately preceding subsection (a); (ii) no Default or Event of Default shall then be in existence or would occur as a result of such release, including without limitation, a Default or Event of Default resulting from a violation of any of the covenants contained in Section 9.1.; (iii) the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party, shall be true and correct in all material respects (except in the case of a representation or warranty qualified by materiality, in which case such representation or warranty shall be true and correct in all respects) on and as of the date of such release with the same force and effect as if made on and as of such date except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects (except in the case of a representation or warranty qualified by materiality, in which case such representation or warranty shall be true and correct in all respects)) and except for changes in factual circumstances expressly permitted under the Loan Documents; and (iv) the Administrative Agent shall have received such written request at least 10 Business Days (or such shorter period as may be acceptable to the Administrative Agent) prior to the requested date of release. Delivery by the Borrower to the Administrative Agent of any such request shall constitute a representation by the Borrower that the matters set forth in the preceding sentence (both as of the date of the giving of such request and as of the date of the effectiveness of such request) are true and correct with respect to such request.

Section 7.14. Equity Pledges.

(a) Initial Delivery of Pledged Collateral. Within 10 Business Days following the Second Amendment Effective Date or such later date acceptable to Administrative Agent, the Borrower shall deliver or cause to be delivered to the Administrative Agent the following each in form and substance reasonably acceptable to the Administrative Agent: (i) each certificate or other instrument in respect of the Pledged Interests, in the manner required under the Pledge Agreement, duly indorsed by such Pledgor to the Administrative Agent, together with an undated stock power covering such certificate (or other appropriate instrument of transfer) duly executed, in blank, by such Pledgor and countersigned by the issuer thereof, (ii) such other schedules, supplements, instruments, certificates, or information

in connection therewith as required by the Pledge Agreement or as reasonably requested by the Administrative Agent and (iii) a legal opinion issued by a law firm reasonably acceptable to the Administrative Agent covering the creation and perfection of the security interest in the Pledged Interests upon indorsement and delivery to the Administrative Agent of such certificates or other instruments.

(b) **Equity Pledge Requirement and Release.** Subject to Section 7.4(c) and (d) below, until such time as (i) the Temporary Waiver Period has terminated, (ii) the Borrower has delivered to the Administrative Agent satisfactory evidence demonstrating compliance with the financial covenants set forth in Section 9.1(a) and Section 9.1(d) for each of the two most recently ended fiscal quarters of the Borrower both of which shall be ended after the Temporary Waiver Period Termination Date, and (iii) no Default or Event of Default has occurred and is continuing (the first date upon which each of the forgoing conditions are satisfied, the “Equity Pledge Release Date”), (x) the Obligations shall be secured by the Pledged Interests and (y) the Collateral Value Percentage shall not exceed fifty percent (50%). If at any time prior to the Equity Pledge Release Date the Collateral Value Percentage exceeds or would exceed fifty percent (50%) as the result of (1) any Credit Event, (2) any asset transfer or disposition otherwise permitted by this Agreement, (3) any asset failing to be an Unencumbered Asset or (4) Administrative Agent’s election, at any time during the Temporary Waiver Period and continuing thereafter until the Post-Temporary Waiver Period Compliance Date, to exclude any asset from the calculation of the Collateral Value Percentage as a result of such asset’s rent coverage or performance, then, as a condition precedent the foregoing (1) and (2) and within 10 Business Days following the foregoing (3) and (4), additional Equity Interests of entities identified by the Borrower and approved by the Administrative Agent shall be pledged to Administrative Agent such that the Collateral Value Percentage is fifty percent (50%) or less (after giving effect to the foregoing (1), (2), (3) or (4), as applicable). In connection therewith, the Borrower shall promptly deliver to the Administrative Agent, each of the following in form and substance satisfactory to the Administrative Agent: (i) a supplement to the Pledge Agreement executed by each Person that owns any Equity Interests that are to become Pledge Equity Interests and (ii) such other schedules, supplements, instruments, certificates, or information in connection therewith as required by the Pledge Agreement (as though such Equity Interests were subject thereto on the Second Amendment Effective Date) or as reasonably requested by the Administrative Agent.

(c) **Qualified Notes Issuance Release and Reinstatement.** Prior to the Equity Pledge Release Date, upon the consummation of a Qualified Notes Issuance, the Borrower may request in writing that the Administrative Agent release, and upon receipt of such request the Administrative Agent shall release, the Lien in favor of the Administrative Agent on all Pledged Interests so long as (i) no Default or Event of Default has occurred and is continuing, (ii) the aggregate outstanding principal balance of all Revolving Loans, Swingline Loans and Letter of Credit Liabilities at the time of the requested release does not exceed \$750,000,000 (after to giving effect to any resulting prepayment in accordance with Section 2.8(b)(iii)(A)), and (iii) the Borrower has delivered to the Administrative Agent the Net Cash Proceeds of such Qualified Notes Issuance in accordance with Section 2.8(b)(iii)(A) and the Term Loans have been paid in full; provided that a release of the Pledged Interests pursuant to this Section 7.14(c) shall be permitted no more than one time. If, at any time following a release of the Pledged Interests pursuant to the preceding sentence and prior to the Equity Pledge Release Date, the aggregate outstanding principal balance of all Revolving Loans, Swingline Loans and Letter of Credit Liabilities would exceed \$750,000,000 as a result of any requested Credit Event, then, as a condition precedent to such Credit Event, Equity Interests of entities identified by the Borrower and approved by the Administrative Agent shall be pledged to Administrative Agent such that the Collateral Value Percentage is fifty percent (50%) or less (after giving effect to such requested Credit Event). In connection therewith, the Borrower shall promptly deliver to the Administrative Agent a new fully executed Pledge Agreement and each of the items required pursuant to Section 7.14(a) with respect to the Equity Interests to be subject to such new Pledge Agreement, and Borrower shall thereafter comply with this Section 7.14 until the Equity Pledge Release Date.

(d) **Release of Certain Pledged Interests.**

(i) The Borrower may from time to time request in writing that additional Equity Interests of any entity identified by the Borrower be pledged to the Administrative Agent as additional Pledged Interests under the Pledge Agreement. Subject to the Administrative Agent having approved such entity, such pledge shall be effective subject to the Borrower having delivered each of the following in form and substance satisfactory to the Administrative Agent: (i) a supplement to the Pledge Agreement executed by each Person that owns any Equity Interests that are to become Pledged Interests and (ii) such other schedules, supplements, instruments,

certificates, or information in connection therewith as required by the Pledge Agreement (as though such Equity Interests were subject thereto on the Second Amendment Effective Date) or as reasonably requested by the Administrative Agent.

(ii) In the event that the Collateral Value Percentage is less than fifty percent (50.0%) either due to any repayment of the Obligations in accordance with this Agreement, or to the pledge of additional Pledged Interests in accordance with Section 7.14(d)(i), then the Borrower may request in writing that the Administrative Agent release, and upon receipt of such request the Administrative Agent shall release, the Lien in favor of the Administrative Agent on those Pledged Interests identified by the Borrower and approved by Administrative Agent so long as: (i) upon giving effect to such release (and to any concurrent pledge of any additional Pledged Interests in accordance with Section 7.14(d)(i)), the Collateral Value Percentage will not exceed fifty percent (50%), (ii) no Default or Event of Default has occurred and is continuing or would occur as a result of such release, and (iii) the Administrative Agent shall have received such written request at least 10 Business Days (or such shorter period as may be acceptable to the Administrative Agent) prior to the requested date of release. Delivery by the Borrower to the Administrative Agent of any such request shall constitute a representation by the Borrower that the matters set forth in the preceding sentence (both as of the date of such request and as of the date of such release) are true and correct with respect to such request.

(iii) If the Administrative Agent elects to exclude any asset from the calculation of the Collateral Value Percentage pursuant to Section 7.14(b)(4) and the issuer of Pledged Interests owning such asset does not own any other asset then included in the calculation of the Collateral Value Percentage, then the Borrower may request in writing that the Administrative Agent release, and upon receipt of such request the Administrative Agent shall release, the Lien in favor of the Administrative Agent on the Pledged Interests of such issuer so long as: (i) upon giving effect to such release, the Collateral Value Percentage will not exceed fifty percent (50%), (ii) no Default or Event of Default has occurred and is continuing or would occur as a result of such release, and (iii) the Administrative Agent shall have received such written request at least 10 Business Days (or such shorter period as may be acceptable to the Administrative Agent) prior to the requested date of release. Delivery by the Borrower to the Administrative Agent of any such request shall constitute a representation by the Borrower that the issuer of such Pledged Interests does not own any asset then included in the calculation of the Collateral Value Percentage and that the matters set forth in the preceding sentence (both as of the date of such request and as of the date of such release) are true and correct with respect to such request.

(e) No Liens or Negative Pledges. At all times Equity Pledges are required pursuant to this Section, neither the Pledged Interests nor any asset owned by the issuer of such Pledged Interest included in the calculation of the Collateral Value Percentage nor any direct or indirect interest of Borrower in such issuer shall be subject to any Lien (other than Permitted Liens of the types described in clauses (a)(x) and (i) of the definition thereof) or Negative Pledge, other than Negative Pledges permitted pursuant to Section 9.2.(b)(iii) and Section 9.2.(b)(iv).

(f) Security Interests. At all times Equity Pledges are required in accordance with Section 7.14, the Borrower represents, warrants and covenants that (i) the Pledge Agreement creates as security for the Obligations a valid and enforceable Lien on all of the Collateral in favor of the Administrative Agent for the benefit of the Lenders, superior to and prior to the rights of all third parties, and (ii) all assets owned by the issuers of the Pledged Interests and included in the calculation of the Collateral Value Percentage are Unencumbered Assets.

(g) Other Indebtedness. Borrower represents, warrants and covenants that (i) no Indebtedness of Borrower or its Subsidiaries prohibits or shall prohibit the Liens now or hereafter granted to Administrative Agent in the Pledge Equity Interests and (ii) none of the issuers of the Pledged Interests is or shall be required to be a Guarantor pursuant to Section 7.13.

(h) Restricted Payments. At any time Equity Pledges are required pursuant to this Section 7.14, the Borrower ~~shall not, and shall not permit any other Loan Party~~ to, declare or make any Restricted Payments, provided that (i) the Borrower may declare and make cash distributions to its shareholders in an aggregate amount not to exceed the minimum amount necessary for the Borrower to remain in compliance with Section 7.11. and to avoid the imposition

of income or excise taxes imposed under Sections 857(b)(1), 857(b)(3) and 4981 of the Internal Revenue Code, (ii) the Borrower shall be permitted to declare and make Restricted Payments of not more than \$0.01 per share in cash to the holders of its capital stock following the end of each fiscal quarter of Borrower, and (iii) any Loan Party may declare and make Restricted Payments to the Borrower or any Subsidiary thereof, provided that, at any time Equity Pledges are required pursuant to Section 7.14, no Loan Party shall make any Restricted Payments to any Subsidiary that is not a Loan Party and is obligated in respect of any Indebtedness.

(i) Required Consents. Notwithstanding anything to the contrary contained in this Agreement or the other Loan Documents, the consent of all Lenders shall be required to release any of the Collateral (except for releases thereof expressly permitted under or contemplated by this Agreement or the Pledge Agreement) or to subordinate any Lien of the Administrative Agent in any Collateral.

~~Article~~ARTICLE VIII. Information

For so long as this Agreement is in effect, the Borrower shall furnish to the Administrative Agent for distribution to each of the Lenders:

Section 8.1. Quarterly Financial Statements.

As soon as available and in any event within 5 days after the same is filed with the Securities and Exchange Commission (but in no event later than 45 days after the end of each of the first, second and third fiscal quarters of the Borrower), commencing with the fiscal quarter ending March 31, 2018, the unaudited consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such period and the related unaudited consolidated statements of income, shareholders' equity and cash flows of the Borrower and its Subsidiaries for such period, setting forth in each case in comparative form the figures as of the end of and for the corresponding periods of the previous fiscal year, all of which shall be certified by the chief financial officer or chief accounting officer of the Borrower, in his or her opinion, to present fairly, in accordance with GAAP as then in effect, the consolidated financial position of the Borrower and its Subsidiaries as at the date thereof and the results of operations for such period (subject to normal year-end audit adjustments). Together with such financial statements, the Borrower shall deliver reports, in form and detail satisfactory to the Administrative Agent, setting forth (a) to the extent such information is obtained from Operators, all capital expenditures made during the fiscal quarter then ended; (b) a listing of all Properties acquired during such fiscal quarter, including the minimum rent or expected minimum return of each such Property, acquisition costs and related mortgage debt, (c) to the extent such information is obtained from Operators, the Hotel Net Cash Flow for each Hotel Pool and each Hotel that is not in a Hotel Pool, and (d) such other information as the Administrative Agent may reasonably request.

Section ~~8.1~~8.2. Year-End Statements.

As soon as available and in any event within 5 days after the same is filed with the Securities and Exchange Commission (but in no event later than 90 days after the end of each fiscal year of the Borrower), the audited consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year and the related audited consolidated statements of income, shareholders' equity and cash flows of the Borrower and its Subsidiaries for such fiscal year, setting forth in comparative form the figures as at the end of and for the previous fiscal year, all of which shall be certified by (a) the chief financial officer or chief accounting officer of the Borrower, in his or her opinion, to present fairly, in accordance with GAAP as then in effect, the consolidated financial position of the Borrower and its Subsidiaries as at the date thereof and the results of operations for such period and (b) independent certified public accountants of recognized national standing reasonably acceptable to the Administrative Agent (it being acknowledged that any of Deloitte, Ernst & Young, PricewaterhouseCoopers and KPMG shall be acceptable to the Administrative Agent), whose report shall not be subject to (i) any "going concern" or like qualification or exception or (ii) any qualification or exception as to the scope of such audit. Together with such financial statements, the Borrower shall deliver a report, in form and detail reasonably satisfactory to the Administrative Agent, setting forth the Hotel Net Cash Flow for each Hotel Pool and each Hotel that is not in a Hotel Pool for such fiscal year to the extent such information is obtained from Operators and such other information as the Administrative Agent may reasonably request.

Section ~~8.1~~8.3. Compliance Certificate.

At the time the financial statements are furnished pursuant to the immediately preceding Sections 8.1. and 8.2., and within 5 Business Days of the Administrative Agent's request with respect to any other fiscal period, a certificate substantially in the form of Exhibit J (a "**Compliance Certificate**") executed on behalf of the Borrower by the chief financial officer or chief accounting officer of the Borrower (a) setting forth in reasonable detail as of the end of such quarterly accounting period or fiscal year, as the case may be, the calculations required to establish whether the Borrower was in compliance with the covenants contained in Section 9.1.; and (b) stating that, to the best of his or her knowledge, information and belief after due inquiry, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default and its nature, when it occurred and the steps being taken by the Borrower with respect to such event, condition or failure. The Borrower shall also deliver a certificate (an "Unencumbered Asset Certificate") executed by the chief financial officer of the Borrower that: (i) sets forth a list of all Unencumbered Assets and Unencumbered Mortgage Notes; and (ii) certifies that all Unencumbered Assets and Unencumbered Mortgage Notes so listed fully qualify as such under the applicable criteria for inclusion as an Unencumbered Asset or Unencumbered Mortgage Note.

Section ~~8.1~~8.4. Other Information.

(a) Promptly upon receipt thereof, copies of all material reports, if any, submitted to the Borrower or its Board of Trustees by its independent public accountants, and in any event, all management reports;

(b) Within five (5) Business Days of the filing thereof, copies of all registration statements (excluding the exhibits thereto (unless requested by the Administrative Agent) and any registration statements on Form S-8 or its equivalent), reports on Forms 10-K, 10-Q and 8-K (or their equivalents) and all other periodic reports which any Loan Party or any other Subsidiary shall file with the Securities and Exchange Commission (or any Governmental Authority substituted therefor) or any national securities exchange;

(c) Promptly upon the mailing thereof to the shareholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed and promptly upon the issuance thereof copies of all press releases issued by the Borrower, any Subsidiary or any other Loan Party;

(d) If any ERISA Event shall occur that individually, or together with any other ERISA Event that has occurred, could reasonably be expected to have a Material Adverse Effect, a certificate of the chief executive officer or chief financial officer of the Borrower setting forth details as to such occurrence and the action, if any, which the Borrower or applicable member of the ERISA Group is required or proposes to take;

(e) To the extent any Loan Party or any other Subsidiary is aware of the same, prompt notice of the commencement of any proceeding or investigation by or before any Governmental Authority and any action or proceeding in any court or other tribunal or before any arbitrator against or in any other way relating adversely to, or adversely affecting, any Loan Party or any other Subsidiary or any of their respective properties, assets or businesses which could reasonably be expected to have a Material Adverse Effect;

(f) A copy of any amendment to the certificate or articles of incorporation or formation, bylaws, partnership agreement or other similar organizational documents of the Borrower or any other Loan Party promptly upon the Administrative Agent's request;

(g) Prompt notice of any change in the senior management of the Borrower, any other Loan Party or any other Subsidiary, and any change in the business, assets, liabilities, financial condition, results of operations or business prospects of any Loan Party or any other Subsidiary which has had, or could reasonably be expected to have, a Material Adverse Effect;

(h) Prompt notice of the occurrence of any of the following promptly upon a Responsible Officer obtaining knowledge thereof: (i) Default or Event of Default or (ii) any event which constitutes or which with the passage of time, the giving of notice, or otherwise, would constitute a default or event of default by the Borrower, any Subsidiary

or any other Loan Party under any Material Contract to which any such Person is a party or by which any such Person or any of its respective properties may be bound;

(i) Prompt notice of any order, judgment or decree in excess of \$5,000,000 having been entered against any Loan Party or any other Subsidiary or any of their respective properties or assets;

(j) Prompt notice if the Borrower, any Subsidiary or any other Loan Party shall receive any notification from any Governmental Authority alleging a violation of any Applicable Law or any inquiry which could reasonably be expected to have a Material Adverse Effect;

(k) Promptly upon the request of the Administrative Agent, evidence of the Borrower's calculation of the Ownership Share with respect to a Subsidiary or an Unconsolidated Affiliate, such evidence to be in form and detail satisfactory to the Administrative Agent;

(l) Promptly, upon the Borrower becoming aware of any change in the Borrower's Credit Rating, a certificate stating that the Borrower's Credit Rating has changed and the new Credit Rating that is in effect;

(m) Promptly, upon each request, information identifying the Borrower as a Lender may request in order to comply with applicable "know your customer" and anti-money laundering rules and regulations, including without limitation, the Patriot Act;

(n) Promptly, and in any event within 3 Business Days after the Borrower obtains knowledge thereof, written notice of the occurrence of any of the following: (i) the Borrower, any Loan Party or any other Subsidiary shall receive notice that any violation of or noncompliance with any Environmental Law has or may have been committed or is threatened; (ii) the Borrower, any Loan Party or any other Subsidiary shall receive notice that any administrative or judicial complaint, order or petition has been filed or other proceeding has been initiated, or is about to be filed or initiated against any such Person alleging any violation of or noncompliance with any Environmental Law or requiring any such Person to take any action in connection with the release or threatened release of Hazardous Materials; (iii) the Borrower, any Loan Party or any other Subsidiary shall receive any notice from a Governmental Authority or private party alleging that any such Person may be liable or responsible for any costs associated with a response to, or remediation or cleanup of, a release or threatened release of Hazardous Materials or any damages caused thereby; or (iv) the Borrower, any Loan Party or any other Subsidiary shall receive notice of any other fact, circumstance or condition that could reasonably be expected to form the basis of an environmental claim, in each case, where the matters covered by such notice(s) under clauses (i) through (iv), whether individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect;

(o) [Intentionally Omitted];

(p) If requested by the Administrative Agent and available to the Borrower or any Subsidiary on a nonconfidential basis, the Borrower shall deliver to the Administrative Agent the same reports and information with respect to each material mortgagor under any Mortgage Note and with respect to each material Operator as is required by Sections 8.1. and 8.2. with respect to the Borrower, except that: (i) every reference to the Borrower and its Subsidiaries shall be deemed to refer to such material mortgagor or Operator; and (ii) the time periods within which the Borrower shall deliver such reports as to material mortgagors and Operators shall each be 30 days longer than the time periods set forth in Sections 8.1. and 8.2.;

(q) [Intentionally Omitted];

(r) [Intentionally Omitted]; and

(s) From time to time and promptly upon each request, such data, certificates, reports, statements, opinions of counsel, documents or further information regarding any Property or the business, assets, liabilities, financial condition, results of operations or business prospects of the Borrower, any of its Subsidiaries, or any other Loan Party as the Administrative Agent or any Lender may reasonably request.

Section ~~8.1~~8.5. Electronic Delivery of Certain Information.

(a) Documents required to be delivered pursuant to the Loan Documents shall be delivered by electronic communication and delivery, including, the Internet, e-mail or intranet websites to which the Administrative Agent and each Lender have access (including a commercial, third-party website such as www.sec.gov <<http://www.sec.gov>> or a website sponsored or hosted by the Administrative Agent or the Borrower) provided that the foregoing shall not apply to (i) notices to any Lender (or any Issuing Bank) pursuant to Article II. and (ii) any Lender that has notified the Administrative Agent and the Borrower that it cannot or does not want to receive electronic communications. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic delivery pursuant to procedures approved by it for all or particular notices or communications. Documents or notices delivered electronically (other than by e-mail) shall be deemed to have been delivered (A) with respect to deliveries made pursuant to Sections 8.1., 8.2., 8.4.(b) and 8.4.(c) by proper filing with the Securities and Exchange Commission and available on www.sec.gov, on the date of filing thereof and (B) with respect to all other electronic deliveries (other than deliveries made by e-mail) twenty-four (24) hours after the date and time on which the Administrative Agent or the Borrower posts such documents or the documents become available on a commercial website and the Administrative Agent or Borrower notifies each Lender of said posting and the Borrower notifies Administrative Agent of said posting by causing an e-mail notification to be sent to an email address specified from time to time by the Administrative Agent and provides a link thereto provided (x) if such notice or other communication is not sent or posted during the normal business hours of the recipient, said posting date and time shall be deemed to have commenced as of 10:00 a.m. Eastern time on the next business day for the recipient and (y) if the deemed time of delivery occurs on a day that is not a business day for the recipient, the deemed time of delivery shall be 10:00 a.m. Eastern time on the next business day for the recipient. Notwithstanding anything contained herein, the Borrower shall deliver paper copies of any documents to the Administrative Agent or to any Lender that requests such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents delivered electronically, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery. Each Lender shall be solely responsible for requesting delivery to it of paper copies and maintaining its paper or electronic documents.

(b) Documents required to be delivered pursuant to Article II. may be delivered electronically to a website provided for such purpose by the Administrative Agent pursuant to the procedures provided to the Borrower by the Administrative Agent.

Section ~~8.1~~8.6. Public/Private Information.

The Borrower shall cooperate with the Administrative Agent in connection with the publication of certain materials and/or information provided by or on behalf of the Borrower. Documents required to be delivered pursuant to the Loan Documents shall be delivered by or on behalf of the Borrower to the Administrative Agent and the Lenders (collectively, “Information Materials”) pursuant to this Article and the Borrower shall designate Information Materials (a) that are either available to the public or not material with respect to the Borrower and its Subsidiaries or any of their respective securities for purposes of United States federal and state securities laws, as “Public Information” and (b) that are not Public Information as “Private Information”.

Section ~~8.1~~8.7. USA Patriot Act Notice; Compliance.

The Patriot Act and federal regulations issued with respect thereto require all financial institutions to obtain, verify and record certain information that identifies individuals or business entities which open an “account” with such financial institution. Consequently, a Lender (for itself and/or as agent for all Lenders hereunder) may from time-to-time request, and the Borrower shall, and shall cause the other Loan Parties to, provide promptly upon any such request to such Lender, such Loan Party’s name, address, tax identification number and/or such other identification information as shall be necessary for such Lender to comply with federal law. An “account” for this purpose may include, without limitation, a deposit account, cash management service, a transaction or asset account, a credit account, a loan or other extension of credit, and/or other financial services product.

~~Article~~ARTICLE IX. Negative Covenants

For so long as this Agreement is in effect, the Borrower shall comply with the following covenants:

Section 9.1. Financial Covenants.

(a) Leverage Ratio. ~~The~~For any fiscal quarter ending after March 31, 2021, the Borrower shall not permit the ratio of (i) Total Indebtedness to (ii) Total Asset Value to exceed 0.60 to 1.00 at any time; provided, however, that if such ratio is greater than 0.60 to 1.00 but is not greater than 0.65 to 1.00, then the Borrower shall be deemed to be in compliance with this subsection (a) so long as (i) the Borrower completed a Material Acquisition during the fiscal quarter, or the fiscal quarter immediately preceding the fiscal quarter, in which such ratio first exceeded 0.60 to 1.00, (ii) such ratio does not exceed 0.60 to 1.00 for a period of more than three consecutive fiscal quarters immediately following the fiscal quarter in which such Material Acquisition was completed, (iii) the Borrower has not maintained compliance with this subsection (a) in reliance on this proviso more than two times during the term of this Agreement and (iv) such ratio is not greater than 0.65 to 1.00 at any time; and solely for the fiscal quarter ending March 31, 2020, the Borrower shall not permit the ratio of (i) Total Indebtedness to (ii) Total Asset Value to exceed 0.65 to 1.00 at any time during such fiscal quarter.

(b) Minimum Fixed Charge Coverage Ratio. The Borrower shall not permit the ratio of (i) Adjusted EBITDA for the fiscal quarter of the Borrower most recently ending and the three immediately preceding fiscal quarters to (ii) Fixed Charges for such period, to be less than 1.50 to 1.00 at any time.

(c) Secured Indebtedness. The Borrower shall not permit the ratio of (i) Secured Indebtedness of the Borrower and its Subsidiaries to (ii) Total Asset Value to be greater than 0.40 to 1.00 at any time.

(d) Unencumbered Leverage Ratio. ~~The~~For any fiscal quarter ending after March 31, 2021, the Borrower shall not permit the ratio of (i) Unencumbered Asset Value to (ii) Unsecured Indebtedness of the Borrower and its Subsidiaries, to be less than 1.670 to 1.00 at any time; provided, however, that if such ratio is less than 1.670 to 1.00 but is not less than 1.540 to 1.00, then the Borrower shall be deemed to be in compliance with this subsection (d) so long as (i) the Borrower completed a Material Acquisition during the fiscal quarter, or the fiscal quarter immediately preceding the fiscal quarter, in which such ratio was first less than 1.670 to 1.00, (ii) such ratio is not less than 1.670 to 1.00 for a period of more than three consecutive fiscal quarters immediately following the fiscal quarter in which such Material Acquisition was completed, (iii) the Borrower has not maintained compliance with this subsection (d) in reliance on this proviso more than two times during the term of this Agreement and (iv) such ratio is not less than 1.540 to 1.00 at any time; and solely for the fiscal quarter ending March 31, 2020, the Borrower shall not permit the ratio of (i) Unencumbered Asset Value to (ii) Unsecured Indebtedness of the Borrower and its Subsidiaries to be less than 1.540 to 1.00 at any time during such fiscal quarter.

(e) Unencumbered Interest Coverage Ratio. The Borrower shall not permit the ratio of (i) Unencumbered EBITDA for the fiscal quarter of the Borrower most recently ending and the three immediately preceding fiscal quarters to (ii) Unsecured Debt Service for such period, to be less than 1.75 to 1.00 at any time.

(f) Dividends and Other Restricted Payments. Subject to the following sentence, if an Event of Default exists, the Borrower shall not, and shall not permit any of its Subsidiaries to, declare or make any Restricted Payments except that the Borrower may declare and make cash distributions to its shareholders in an aggregate amount not to exceed the minimum amount necessary for the Borrower to remain in compliance with Section 7.11. and to avoid the imposition of income or excise taxes imposed under Sections 857(b)(1), 857(b)(3) and 4981 of the Internal Revenue Code, and Subsidiaries may pay Restricted Payments to the Borrower or any other Subsidiary. If an Event of Default specified in Section 10.1.(a), Section 10.1.(e) or Section 10.1.(f) shall exist, or if as a result of the occurrence of any other Event of Default any of the Obligations have been accelerated pursuant to Section 10.2.(a), the Borrower shall not, and shall not permit any Subsidiary to, make any Restricted Payments to any Person except that Subsidiaries may pay Restricted Payments to the Borrower or any other Subsidiary.

(g) Minimum Liquidity. Notwithstanding anything to the contrary contained herein or in any other Loan Document, at all times during the Temporary Waiver Period and continuing thereafter until the Post-Temporary Waiver Period Compliance Date, the Borrower shall maintain Liquidity of not less than \$125,000,000.

During the Temporary Waiver Period (including, for the avoidance of doubt, financial covenant compliance for which the Temporary Waiver Period Termination Date is the applicable determination date), the Borrower shall deliver to the Administrative Agent duly completed Compliance Certificates as and when required under Section 8.3 certifying as to (i) the Borrower's calculations of each of the financial covenants set forth in Sections 9.1(a) through (g) above, (ii) compliance with the financial covenants set forth in this Section 9.1 required during such fiscal quarter (including, for the avoidance of doubt, Section 9.1(g), but excluding, for the avoidance of doubt, Section 9.1(a) and Section 9.1(d)), and (iii) the other matters contained in the Compliance Certificate.

Immediately following the Temporary Waiver Period Termination Date, all financial covenants set forth in Section 9.1(a) through (f) shall be in full force and effect and the Borrower shall be required to be in compliance therewith; provided, that the applicable testing period for the covenants set forth in Sections 9.1(a) through (e) (including the related defined terms) shall be modified as follows: (i) for the fiscal quarter ending June 30, 2021, based upon the fiscal quarter of the Borrower most recently ending and the immediately preceding fiscal quarter, annualized, (ii) for the fiscal quarter ending September 30, 2021, based upon the fiscal quarter of the Borrower most recently ending and the two immediately preceding fiscal quarters, annualized, and (iii) for the fiscal quarter ending December 31, 2021 and each fiscal quarter thereafter, based upon the fiscal quarter of the Borrower most recently ending and the three immediately preceding fiscal quarters.

Section ~~9.1~~9.2. Negative Pledge.

(a) The Borrower shall not, and shall not permit any other Loan Party or any other Subsidiary to, create, assume, or incur any Lien (other than Permitted Liens) upon any of its properties, assets, income or profits of any character whether now owned or hereafter acquired if immediately prior to the creation, assumption or incurring of such Lien, or immediately thereafter, a Default or Event of Default is or would be in existence, including without limitation, a Default or Event of Default resulting from a violation of any of the covenants contained in Section 9.1.

(b) The Borrower shall not, and shall not permit any other Loan Party or any other Subsidiary (other than an Excluded Subsidiary) to, enter into, assume or otherwise be bound by any Negative Pledge except for a Negative Pledge contained in (i) an agreement (x) evidencing Indebtedness which (A) the Borrower, such Loan Party or such Subsidiary may create, incur, assume, or permit or suffer to exist without violation of this Agreement and (B) is secured by a Lien permitted to exist under the Loan Documents, and (y) which prohibits the creation of any other Lien on only the property securing such Indebtedness as of the date such agreement was entered into; (ii) the organizational documents or other agreements binding on any Subsidiary that is not a Wholly Owned Subsidiary (but only to the extent such Negative Pledge covers any Equity Interest in such Subsidiary or the property or assets of such Subsidiary); (iii) an agreement relating to the sale of a Subsidiary or assets pending such sale, provided that in any such case the Negative Pledge applies only to the Subsidiary or the assets that are the subject of such sale or (iv) a Negative Pledge contained in any agreement that evidences unsecured Indebtedness which contains restrictions on encumbering assets that are substantially similar to those restrictions contained in the Loan Documents.

Section ~~9.1~~9.3. Restrictions on Intercompany Transfers.

The Borrower shall not, and shall not permit any other Loan Party or any other Subsidiary (other than an Excluded Subsidiary) to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary (other than an Excluded Subsidiary) to: (a) pay dividends or make any other distribution on any of such Subsidiary's capital stock or other equity interests owned by the Borrower or any Subsidiary; (b) pay any Indebtedness owed to the Borrower or any Subsidiary; (c) make loans or advances to the Borrower or any Subsidiary; or (d) transfer any of its property or assets to the Borrower or any Subsidiary; other than (i) with respect to clauses (a) through (d) those encumbrances or restrictions contained in (A) any Loan Document, (B) any other agreement evidencing Unsecured Indebtedness that the Borrower, any other Loan Party any other Subsidiary may create, incur, assume or permit or suffer to exist under this Agreement and containing encumbrances

and restrictions imposed in connection with such Unsecured Indebtedness that are either substantially similar to, or less restrictive than, the encumbrances and restrictions set forth in Section 9.1(f) and Section 9.4. of this Agreement and Section 13 of the Guaranty and (C) the organizational documents or other agreements binding on or applicable to any Subsidiary that is not a Wholly Owned Subsidiary (but only to the extent such encumbrance or restriction covers any Equity Interest in such Subsidiary or the property or assets of such Subsidiary), and (ii) with respect to clause (d), (A) customary provisions restricting assignment of any agreement entered into by the Borrower, any other Loan Party or any Subsidiary in the ordinary course of business or (B) transfer restrictions in any agreement relating to the sale of a Subsidiary or assets pending such sale or relating to Indebtedness secured by a Lien on assets that the Borrower or a Subsidiary may create, incur, assume or permit or suffer to exist under Section 9.2(a); provided that in the case of this clause (B), the restrictions apply only to the Subsidiary or the assets that are the subject of such sale or Lien, as the case may be. Notwithstanding anything to the contrary in the foregoing, the restrictions in this Section shall not apply to any provision of any Guaranty entered into by the Borrower, any Loan Party or any other Subsidiary relating to the Indebtedness of any Subsidiary permitted to be incurred hereunder, which provision subordinates any rights of Borrower, other Loan Party or any other Subsidiary to payment from such Subsidiary to the payment in full of such Indebtedness.

Section ~~9.4~~9.4. Merger, Consolidation, Sales of Assets and Other Arrangements.

The Borrower shall not, and shall not permit any other Loan Party or any other Subsidiary to, (i) enter into any transaction of merger or consolidation; (ii) liquidate, windup or dissolve itself (or suffer any liquidation or dissolution); or (iii) convey, sell, lease, sublease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any substantial part of its business or assets, or the capital stock of or other Equity Interests in any of its Subsidiaries, whether now owned or hereafter acquired; provided, however, that:

(a) any of the actions described in the immediately preceding clauses (i) through (iii) may be taken with respect to any Subsidiary or any other Loan Party (other than the Borrower), including, for the avoidance of doubt, the sale, transfer or other disposition of the capital stock of or other Equity Interests in any Subsidiary of the Borrower, so long as immediately prior to the taking of such action, and immediately thereafter and after giving effect thereto, (i) no Default or Event of Default is or would be in existence and (ii) at any time prior to the Equity Pledge Release Date, the Collateral Value Percentage does not exceed fifty percent (50%);

(b) the Borrower, its Subsidiaries and the other Loan Parties may lease and sublease their respective assets, as lessor or sublessor (as the case may be), in the ordinary course of their business;

(c) a Person may merge with and into the Borrower so long as (i) the Borrower is the survivor of such merger, (ii) immediately prior to such merger, and immediately thereafter and after giving effect thereto, no Default or Event of Default is or would be in existence; and (iii) the Borrower shall have given the Administrative Agent and the Lenders at least 10 Business Days' prior written notice of such merger (except that such prior notice shall not be required in the case of the merger of a Subsidiary with and into the Borrower); and

(d) the Borrower and each Subsidiary may sell, transfer or dispose of assets (at any time Equity Pledges are required pursuant to Section 7.14, other than Pledged Interests and assets owned by the issuers thereof) among themselves.

Section ~~9.4~~9.5. Plans.

The Borrower shall not, and shall not permit any other Loan Party or any other Subsidiary to, permit any of its respective assets to become or be deemed to be "plan assets" within the meaning of ERISA, the Internal Revenue Code and the respective regulations promulgated thereunder. The Borrower shall not cause or permit to occur, and shall not permit any other member of the ERISA Group to cause or permit to occur, any ERISA Event if such ERISA Event could reasonably be expected to have a Material Adverse Effect.

Section 9.1.9.6. Fiscal Year.

The Borrower shall not, and shall not permit any other Loan Party or other Subsidiary to, change its fiscal year from that in effect as of the Agreement Date.

Section 9.1.9.7. Modifications of Organizational Documents and Other Contracts.

(a) The Borrower shall not, and shall not permit any other Loan Party or any other Subsidiary to, amend, supplement, restate or otherwise modify its certificate or articles of incorporation or formation, by-laws, operating agreement, declaration of trust, partnership agreement or other applicable organizational document if such amendment, supplement, restatement or other modification (a) could reasonably be expected to be adverse to the interest of the Lenders in any material respect ~~or~~, (b) could reasonably be expected to have a Material Adverse Effect, ~~or (c) if Equity Pledges are then required pursuant to Section 7.14, could reasonably be expected to adversely affect the validity, perfection or priority of the Administrative Agent's security interest in the Collateral.~~

(b) The Borrower shall not, and shall not permit any Subsidiary or other Loan Party to, enter into any amendment or modification to any Material Contract which could reasonably be expected to have a Material Adverse Effect.

Section 9.1.9.8. Transactions with Affiliates.

The Borrower shall not enter into, and shall not permit any other Loan Party or any other Subsidiary to enter into, any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate after the Agreement Date, except (a) transactions among the Borrower and any Wholly Owned Subsidiary or among Wholly Owned Subsidiaries, (b) (i) transactions in the ordinary course of the Borrower, such other Loan Party or such Subsidiary and (ii) pursuant to the reasonable requirements of the business of the Borrower, such other Loan Party or such other Subsidiary and upon fair and reasonable terms which are no less favorable to the Borrower, such other Loan Party or such other Subsidiary than would be obtained in a comparable arm's length transaction with a Person that is not an Affiliate; provided, however, that the Borrower, a Loan Party or any other Subsidiary may enter into an Operating Agreement with an Affiliate outside of the ordinary course of business of the Borrower, such other Loan Party or such other Subsidiary so long as such Operating Agreement complies with the terms of the immediately preceding clause (b)(ii) or (c) ~~except for any transaction with a Loan Party or any direct or indirect owner thereof~~, any transaction approved by a majority of the Board of Trustees of the Borrower (including a majority of the independent trustees).

Section 9.1.9.9. Environmental Matters.

The Borrower shall not, and shall not permit any other Loan Party, any other Subsidiary or any other Person to, use, generate, discharge, emit, manufacture, handle, process, store, release, transport, remove, dispose of or clean up any Hazardous Materials on, under or from the Properties in violation of any Environmental Law or in a manner that could lead to any environmental claim or pose a risk to human health, safety or the environment, in each case, that could reasonably be expected to have a Material Adverse Effect. Nothing in this Section shall impose any obligation or liability whatsoever on the Administrative Agent or any Lender.

Section 9.1.9.10. Derivatives Contracts.

The Borrower shall not, and shall not permit any other Loan Party or any other Subsidiary to enter into or become obligated in respect of, Derivatives Contracts, other than Derivatives Contracts entered into by the Borrower, any such Loan Party or any such Subsidiary in the ordinary course of business and which are intended to establish an effective hedge in respect of liabilities, commitments or assets held or reasonably anticipated by the Borrower, such other Loan Party or such other Subsidiary.

Section 9.11. Use of Proceeds.

~~The Borrower shall not, and shall not permit any other Loan Party or any other Subsidiary to, use any part of the proceeds of the Loans to (a) purchase or carry, or to reduce or retire or refinance any credit incurred to purchase or carry, any Margin Stock (within the meaning of Regulation U or Regulation X of the Board of Governors of the Federal Reserve System) or (b) to extend credit to others for the purpose of purchasing or carrying any such margin stock. The Borrower shall not, and shall not permit any other Loan Party or Subsidiary to, use any proceeds of any Loan directly or, to the knowledge of the Borrower, indirectly in any manner which would violate Anti-Corruption Laws, Anti-Terrorism Laws or applicable Sanctions.~~

(a) No part of the proceeds of any of the Loans or any other extension of credit hereunder shall be used for purchasing or carrying margin stock (within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System) or for any purpose which violates the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System. If requested by the Administrative Agent or any Lender (through the Administrative Agent), the Borrower shall promptly furnish to the Administrative Agent and each requesting Lender a statement in conformity with the requirements of Form G-3 or Form U-1, as applicable, under Regulation U of the Board of Governors of the Federal Reserve System.

(b) The Borrower shall not use, and shall ensure that its Subsidiaries and Unconsolidated Affiliates and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Loans or any other extension of credit hereunder, directly or indirectly, (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 9.12. Temporary Waiver Period.

Notwithstanding anything to the contrary contained herein, at all times during the Temporary Waiver Period and continuing thereafter until the Post-Temporary Waiver Period Compliance Date, the ~~Borrower shall not, and shall not permit any other Loan Party or any other Subsidiary or Unconsolidated Affiliate to do any of the following without the prior written consent of the Requisite Lenders:~~

(a) incur any additional Indebtedness (including, without limitation, any increase in the Term Loans or the Revolving Commitments pursuant to Section 2.16), other than (i) borrowings of Revolving Loans in accordance with the terms hereof, (ii) any issuance by the Borrower of unsecured notes pursuant to a Qualified Notes Issuance, provided that (A) the proceeds thereof are applied in accordance with Section 2.8(b)(iv)(C) and (B) no Default or Event of Default has occurred and is continuing or would result therefrom, (iii) pursuant to a Stimulus Transaction, and (iv) any other incurrence by (x) the Borrower of unsecured Indebtedness or (y) any Subsidiary or Unconsolidated Affiliate of secured or unsecured Nonrecourse Indebtedness (which Indebtedness may be guaranteed by the Borrower on a nonrecourse basis (subject to customary exceptions for fraud, misapplication of funds, environmental indemnities, voluntary bankruptcy, collusive involuntary bankruptcy and other similar customary exceptions to nonrecourse liability)), in each case, provided that (A) subject to clause (C)(2) below, the proceeds thereof are applied in accordance with Section 2.8(b)(iv), (B) no Default or Event of Default has occurred and is continuing or would result therefrom, and (C) in the case of secured Nonrecourse Indebtedness pursuant to clause (y), (1) such secured Nonrecourse Indebtedness is not secured by any Pledged Interests or any other assets owned by the issuers thereof and (2) the Net Cash Proceeds of such secured Nonrecourse Indebtedness are used solely to repay the outstanding Term Loans and the 4.25% Senior Notes, in each case in accordance with Section 2.8(b)(iii)(B). For avoidance of doubt, no secured Nonrecourse Indebtedness shall be permitted pursuant to the preceding clause (iv)(y) in excess of the amount necessary to repay the outstanding Term Loans and the 4.25% Senior Notes;

(b) acquire any real property or make any other Investments of any kind, other than: (i) renovations or improvements required to be paid by Borrower or its Subsidiaries (or its Ownership Share thereof to be paid by Unconsolidated Affiliates) pursuant to leases and contracts in effect as of the Second Amendment Effective Date in

an aggregate amount not to exceed \$70,000,000, (ii) completion of in-process renovations (as of the Second Amendment Effective Date) required to be paid by Borrower or its Subsidiaries for the Sonesta Hotels in an aggregate amount not to exceed \$10,000,000, (iii) rebranding, repurposing and leasing costs to be paid by Borrower or its Subsidiaries (or its Ownership Share thereof to be paid by Unconsolidated Affiliates) as a result of management contract and lease defaults and terminations in an aggregate amount not to exceed \$20,000,000, (iv) maintenance capital expenditures and reimbursements required to be paid by Borrower or its Subsidiaries to TravelCenters of America Inc. ("TA") consistent with past practices in an aggregate amount not to exceed \$55,000,000, (v) maintenance capital expenditures and contractual capital expenditures to be paid by Borrower or its Subsidiaries (or its Ownership Share thereof to be paid by Unconsolidated Affiliates) in an aggregate amount not to exceed \$20,000,000, and (vi) if TA conducts an equity offering, the acquisition by the Borrower of such minimum number of additional shares of TA as would permit the Borrower to retain pro rata ownership of 8.2% of TA in an aggregate amount not to exceed \$25,000,000 (the foregoing clauses (i) through (vi), collectively, the "**Permitted Capital Expenditures**");

(c) make any Restricted Payments, provided that (i) the Borrower may declare and make cash distributions to its shareholders in an aggregate amount not to exceed the minimum amount necessary for the Borrower to remain in compliance with Section 7.11. and to avoid the imposition of income or excise taxes imposed under Sections 857(b)(1), 857(b)(3) and 4981 of the Internal Revenue Code, (ii) the Borrower shall be permitted to make Restricted Payments of not more than \$0.01 per share in cash to the holders of its capital stock following the end of each fiscal quarter of Borrower, and (iii) any Subsidiary or Unconsolidated Affiliate may make Restricted Payments to the Borrower or any Subsidiary thereof, provided that, at any time Equity Pledges are required pursuant to Section 7.14, no Loan Party shall make any Restricted Payments to any Subsidiary that is not a Loan Party and is obligated in respect of any Indebtedness;

(d) take any action, or refrain from taking any action, that would be prohibited during a Default or Event of Default, including, without limitation, mergers, liquidations, liens, encumbrances, releases, and certain transfers in each case which would otherwise be permitted hereunder, other than (i) the borrowing of Revolving Loans or Swingline Loans otherwise permitted hereunder, (ii) the issuance, extension or amendment of any Letter of Credit otherwise permitted hereunder, (iii) requesting a Conversion or Continuation of LIBOR Loans in accordance with Sections 2.9 and 2.10, as applicable, (iv) dispositions of property or other Investments, in each case, pursuant to an arm's-length third party transactions in the ordinary course of business, (v) Permitted Capital Expenditures, and (vi) the granting of any Liens on assets (other than the Pledged Interests or assets owned by the issuers thereof) to the extent securing any Indebtedness permitted under Section 9.12(a)(iv)(y); and

(e) use the proceeds of any Revolving Loans or other Credit Event to directly or indirectly repay any Indebtedness other than the repayment of the 4.25% Senior Notes.

ArticleARTICLE X. Default

Section 10.1. Events of Default.

Each of the following shall constitute an Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of Applicable Law or pursuant to any judgment or order of any Governmental Authority:

(a) Default in Payment. The Borrower (i) shall fail to pay when due under this Agreement or any other Loan Document (whether upon demand, at maturity, by reason of acceleration or otherwise) the principal of any of the Loans or any Reimbursement Obligation or (ii) shall fail to pay when due any interest on any of the Loans or any of the other payment Obligations owing by the Borrower under this Agreement, any other Loan Document or the Fee Letter or any other Loan Party shall fail to pay when due any payment Obligation owing by such other Loan Party under any Loan Document to which it is a party, and, in the case of a failure described in this clause (ii), such failure shall continue for a period of 5 Business Days.

(b) Default in Performance.

(i) Any Loan Party shall fail to perform or observe any term, covenant, condition or agreement on its part to be performed or observed and contained in Section 8.4.(h) or Article IX.; or

(ii) Any Loan Party shall fail to perform or observe any term, covenant, condition or agreement contained in this Agreement or any other Loan Document to which it is a party and not otherwise mentioned in this Section, and in the case of this subsection (b) (ii) only, such failure shall continue for a period of 30 days after the earlier of (x) the date upon which a Responsible Officer of the Borrower or such other Loan Party obtains knowledge of such failure or (y) the date upon which the Borrower has received written notice of such failure from the Administrative Agent.

(c) Misrepresentations. Any written statement, representation or warranty made or deemed made by or on behalf of any Loan Party under this Agreement or under any other Loan Document, or any amendment hereto or thereto, or in any other writing or statement at any time furnished by, or at the direction of, any Loan Party to the Administrative Agent, any Issuing Bank or any Lender, shall at any time prove to have been incorrect or misleading, in light of the circumstances in which made or deemed made, in any material respect when furnished or made or deemed made.

(d) Indebtedness Cross-Default.

(i) The Borrower, any other Loan Party or any other Subsidiary shall fail to pay when due and payable (after giving effect to any applicable grace or cure period) the principal of, or interest on, any Indebtedness (other than the Loans and Reimbursement Obligations) having an aggregate outstanding principal amount (or, in the case of any Derivatives Contract, having a Derivatives Termination Value) of, in each case individually or in the aggregate with all other Indebtedness as to which such a failure exists, of an aggregate outstanding principal amount greater than or equal to (A) \$25,000,000 in the case of Indebtedness that is not Nonrecourse Indebtedness or (B) \$75,000,000 in the case of Indebtedness that is Nonrecourse Indebtedness ("Material Indebtedness"); or

(ii) (x) The maturity of any Material Indebtedness shall have been accelerated in accordance with the provisions of any indenture, contract or instrument evidencing, providing for the creation of or otherwise concerning such Material Indebtedness or (y) any Material Indebtedness shall have been required to be prepaid or repurchased prior to the stated maturity thereof (other than as a result of customary non default mandatory prepayment requirements associated with asset sales, casualty events or debt or equity issuances); or

(iii) Any other event shall have occurred and be continuing which, with or without the passage of time, the giving of notice, or otherwise, would permit any holder or holders of any Material Indebtedness, any trustee or agent acting on behalf of such holder or holders or any other Person, to accelerate the maturity of any such Material Indebtedness or require any such Material Indebtedness to be prepaid or repurchased prior to its stated maturity (other than as a result of customary non default mandatory prepayment requirements associated with asset sales, casualty events or debt or equity issuances).

(e) Voluntary Bankruptcy Proceeding. The Borrower, any other Loan Party or any other Subsidiary (other than (x) an Excluded Subsidiary all Indebtedness of which is Nonrecourse Indebtedness, (y) a Guarantor that, together with all other Guarantors then subject to a bankruptcy proceeding or other proceeding or condition described in this subsection or the immediately following subsection, does not account for more than \$25,000,000 of Total Asset Value, or (z) a Subsidiary (other than an Excluded Subsidiary all the Indebtedness of which is Nonrecourse Indebtedness) that, together with all other Subsidiaries then subject to a bankruptcy proceeding or other proceeding or condition described in this subsection or the immediately following subsection, does not account for more than \$50,000,000 of Total Asset Value) shall: (i) commence a voluntary case under the Bankruptcy Code or other federal bankruptcy laws (as now or hereafter in effect); (ii) file a petition seeking to take advantage of any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts; (iii) consent to, or fail to contest in a timely and appropriate manner, any petition filed against it in an involuntary case under such bankruptcy laws or other Applicable Laws or consent to any proceeding or action described in the immediately following subsection (f); (iv) apply for or consent to, or fail to contest in a timely and appropriate manner,

the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign; (v) admit in writing its inability to pay its debts as they become due; (vi) make a general assignment for the benefit of creditors; (vii) make a conveyance fraudulent as to creditors under any Applicable Law; or (viii) take any corporate or partnership action for the purpose of effecting any of the foregoing.

(f) Involuntary Bankruptcy Proceeding. A case or other proceeding shall be commenced against the Borrower, any other Loan Party or any other Subsidiary (other than (x) an Excluded Subsidiary all Indebtedness of which is Nonrecourse Indebtedness, (y) a Guarantor that, together with all other Guarantors then subject to a bankruptcy proceeding or other proceeding or condition described in this subsection or the immediately preceding subsection, does not account for more than \$25,000,000 of Total Asset Value, or (z) a Subsidiary (other than an Excluded Subsidiary all the Indebtedness of which is Nonrecourse Indebtedness) that, together with all other Subsidiaries then subject to a bankruptcy proceeding or other proceeding or condition described in this subsection or the immediately preceding subsection, does not account for more than \$50,000,000 of Total Asset Value) in any court of competent jurisdiction seeking: (i) relief under the Bankruptcy Code or other federal bankruptcy laws (as now or hereafter in effect) or under any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of such Person, or of all or any substantial part of the assets, domestic or foreign, of such Person, and in the case of either clause (i) or (ii) such case or proceeding shall continue undismissed or unstayed for a period of 60 consecutive calendar days, or an order granting the remedy or other relief requested in such case or proceeding against the Borrower, such Subsidiary or such other Loan Party (including, but not limited to, an order for relief under such Bankruptcy Code or such other federal bankruptcy laws) shall be entered.

(g) Revocation of Loan Documents. Any Loan Party shall (or shall attempt to) disavow, revoke or terminate any Loan Document or the Fee Letter to which it is a party or shall otherwise challenge or contest in any action, suit or proceeding in any court or before any Governmental Authority the validity or enforceability of any Loan Document or the Fee Letter or any Loan Document or the Fee Letter shall cease to be in full force and effect (except as a result of the express terms thereof).

(h) Judgment. A judgment or order for the payment of money or for an injunction or other non-monetary relief shall be entered against the Borrower, any other Loan Party, or any other Subsidiary by any court or other tribunal and (i) such judgment or order shall continue for a period of 30 days without being paid, stayed or dismissed through appropriate appellate proceedings and (ii) either (A) the amount of such judgment or order (x) for which insurance has not been acknowledged in writing by the applicable insurance carrier (or the amount as to which the insurer has denied liability) or (y) is not otherwise subject to indemnification or reimbursement on reasonable terms and conditions by Persons reasonably likely to honor such indemnification or reimbursement obligations, exceeds, individually or together with all other such judgments or orders entered against (1) the Borrower or any Guarantor \$25,000,000, or (2) any other Subsidiaries, \$50,000,000, or (B) in the case of an injunction or other non-monetary relief, such injunction or judgment or order could reasonably be expected to have a Material Adverse Effect.

(i) Attachment. A warrant, writ of attachment, execution or similar process shall be issued against any property of the Borrower, any other Loan Party or any other Subsidiary, which exceeds, individually or together with all other such warrants, writs, executions and processes, (1) for the Borrower or any Guarantor, \$25,000,000, or (2) for any other Subsidiaries, \$50,000,000, and such warrant, writ, execution or process shall not be paid, discharged, vacated, stayed or bonded for a period of 30 days; provided, however, that if a bond has been issued in favor of the claimant or other Person obtaining such warrant, writ, execution or process, the issuer of such bond shall execute a waiver or subordination agreement in form and substance satisfactory to the Administrative Agent pursuant to which the issuer of such bond subordinates its right of reimbursement, contribution or subrogation to the Obligations and waives or subordinates any Lien it may have on the assets of the Borrower or any Subsidiary.

(j) ERISA.

(i) Any ERISA Event shall have occurred that results or could reasonably be expected to result in liability to any member of the ERISA Group aggregating in excess of \$10,000,000; or

(ii) The “benefit obligation” of all Plans exceeds the “fair market value of plan assets” for such Plans by more than \$10,000,000, all as determined, and with such terms defined, in accordance with FASB ASC 715.

(k) Loan Documents. An Event of Default (as defined therein) shall occur under any of the other Loan Documents.

(l) Change of Control.

(i) Any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person will be deemed to have “beneficial ownership” of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 25.0% of the total voting power of the then outstanding voting stock of the Borrower; or

(ii) During any period of 12 consecutive months ending after the Agreement Date, individuals who at the beginning of any such 12-month period constituted the Board of Trustees of the Borrower (together with any new trustees whose election by such Board or whose nomination for election by the shareholders of the Borrower was approved by a vote of a majority of the trustees then still in office who were either trustees at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Trustees of the Borrower then in office; or

(iii) RMR shall cease for any reason to act as the sole business manager for the Borrower.

Section ~~10.1~~10.2. Remedies Upon Event of Default.

Upon the occurrence of an Event of Default the following provisions shall apply:

(a) Acceleration; Termination of Facilities.

(i) Automatic. Upon the occurrence of an Event of Default specified in Sections 10.1.(e) or 10.1.(f), (1)(A) the principal of, and all accrued interest on, the Loans and the Notes at the time outstanding, (B) an amount equal to the Stated Amount of all Letters of Credit outstanding as of the date of the occurrence of such Event of Default for deposit into the Letter of Credit Collateral Account and (C) all of the other Obligations, including, but not limited to, the other amounts owed to the Lenders and the Administrative Agent under this Agreement, the Notes or any of the other Loan Documents shall become immediately and automatically due and payable without presentment, demand, protest, or other notice of any kind, all of which are expressly waived by the Borrower on behalf of itself and the other Loan Parties, and (2) the Commitments and the Swingline Commitment and the obligation of the Issuing Banks to issue Letters of Credit hereunder, shall all immediately and automatically terminate.

(ii) Optional. If any other Event of Default shall exist, the Administrative Agent may, and at the direction of the Requisite Lenders shall: (1) declare (A) the principal of, and accrued interest on, the Loans and the Notes at the time outstanding, (B) an amount equal to the Stated Amount of all Letters of Credit outstanding as of the date of the occurrence of such Event of Default for deposit into the Letter of Credit Collateral Account and (C) all of the other Obligations, including, but not limited to, the other amounts owed to the Lenders and the Administrative Agent under this Agreement, the Notes or any of the other Loan Documents to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by the Borrower on behalf of itself and the other Loan Parties, and (2) terminate the Commitments and the Swingline Commitment and the obligation of the Issuing Banks to issue Letters of Credit hereunder.

(b) Loan Documents. The Requisite Lenders may direct the Administrative Agent to, and the Administrative Agent if so directed shall, exercise any and all of its rights under any and all of the other Loan Documents.

(c) Applicable Law. The Requisite Lenders may direct the Administrative Agent to, and the Administrative Agent if so directed shall, exercise all other rights and remedies it may have under any Applicable Law.

(d) Appointment of Receiver. To the extent permitted by Applicable Law, the Administrative Agent and the Lenders shall be entitled to the appointment of a receiver for the assets and properties of the Borrower and its Subsidiaries, without notice of any kind whatsoever and without regard to the adequacy of any security for the Obligations or the solvency of any party bound for its payment, to take possession of all or any portion of the property and/or the business operations of the Borrower and its Subsidiaries and to exercise such power as the court shall confer upon such receiver.

(e) Specified Derivatives Contract Remedies. Notwithstanding any other provision of this Agreement or other Loan Document, each Specified Derivatives Provider shall have the right, with prompt notice to the Administrative Agent, but without the approval or consent of or other action by the Administrative Agent or the Lenders, and without limitation of other remedies available to such Specified Derivatives Provider under contract or Applicable Law, in each case, in accordance with the terms of the applicable Specified Derivatives Contract, to undertake any of the following: (a) to declare an event of default, termination event or other similar event under any Specified Derivatives Contract and to create an “Early Termination Date” (as defined therein) in respect thereof, (b) to determine net termination amounts in respect of any and all Specified Derivatives Contracts in accordance with the terms thereof, and to set off amounts among such contracts, (c) to set off or proceed against deposit account balances, securities account balances and other property and amounts held by such Specified Derivatives Provider pursuant to any Derivatives Support Document, including any “Posted Collateral” (as defined in any credit support annex included in any such Derivatives Support Document to which such Specified Derivatives Provider may be a party), and (d) to prosecute any legal action against the Borrower, any Loan Party or other Subsidiary to enforce or collect net amounts owing to such Specified Derivatives Provider pursuant to any Specified Derivatives Contract.

Section ~~10.1~~10.3. Remedies Upon Default.

Upon the occurrence of a Default specified in Section 10.1.(f), the Commitments, the Swingline Commitment, and the obligation of the Issuing Banks to issue Letters of Credit shall immediately and automatically terminate.

Section ~~10.1~~10.4. Marshaling; Payments Set Aside.

None of the Administrative Agent, any Issuing Bank, any Lender or any Specified Derivatives Provider shall be under any obligation to marshal any assets in favor of any Loan Party or any other party or against or in payment of any or all of the Obligations or the Specified Derivatives Obligations. To the extent that any Loan Party makes a payment or payments to the Administrative Agent, any Issuing Bank, any Lender or any Specified Derivatives Provider, or the Administrative Agent, any Issuing Bank, any Lender or any Specified Derivatives Provider enforce their security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such recovery, the Obligations or Specified Derivatives Obligations, or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor, shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

Section ~~10.1~~10.5. Allocation of Proceeds.

If an Event of Default exists, all payments received by the Administrative Agent (or any Lender as a result of its exercise of remedies pursuant to Section 12.3.) under any of the Loan Documents, in respect of any principal of or interest on the Obligations or any other amounts payable by the Borrower hereunder or thereunder, shall be applied in the following order and priority:

(a) to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts, including attorney fees, payable to the Administrative Agent in its capacity as such, each Issuing Bank in its capacity as such and each Swingline Lender in its capacity as such, ratably among the Administrative Agent, the Issuing Banks and Swingline Lenders in proportion to the respective amounts described in this clause (a) payable to them;

(b) to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders under the Loan Documents, including attorney fees, ratably among the Lenders in proportion to the respective amounts described in this clause (b) payable to them;

(c) to payment of that portion of the Obligations constituting accrued and unpaid interest on the Swingline Loans;

(d) to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and Reimbursement Obligations, ratably among the Lenders and the Issuing Banks in proportion to the respective amounts described in this clause (d) payable to them;

(e) to payment of that portion of the Obligations constituting unpaid principal of the Swingline Loans;

(f) to payment of that portion of the Obligations constituting unpaid principal of the Loans, Reimbursement Obligations and other Letter of Credit Liabilities, ratably among the Lenders and the Issuing Banks in proportion to the respective amounts described in this clause (f) payable to them; provided, however, to the extent that any amounts available for distribution pursuant to this clause are attributable to the issued but undrawn amount of an outstanding Letter of Credit, such amounts shall be paid to the Administrative Agent for deposit into the Letter of Credit Collateral Account; and

(g) the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Applicable Law.

Section ~~10.4~~10.6. Letter of Credit Collateral Account.

(a) As collateral security for the prompt payment in full when due of all Letter of Credit Liabilities and the other Obligations, the Borrower hereby pledges and grants to the Administrative Agent, for the ratable benefit of the Administrative Agent, the Issuing Banks and the Lenders as provided herein, a security interest in all of its right, title and interest in and to the Letter of Credit Collateral Account and the balances from time to time in the Letter of Credit Collateral Account (including the investments and reinvestments therein provided for below). The balances from time to time in the Letter of Credit Collateral Account shall not constitute payment of any Letter of Credit Liabilities until applied by the applicable Issuing Bank as provided herein. Anything in this Agreement to the contrary notwithstanding, funds held in the Letter of Credit Collateral Account shall be subject to withdrawal only as provided in this Section.

(b) Amounts on deposit in the Letter of Credit Collateral Account shall be invested and reinvested by the Administrative Agent in such Cash Equivalents as the Administrative Agent shall determine in its sole discretion. All such investments and reinvestments shall be held in the name of and be under the sole dominion and control of the Administrative Agent for the ratable benefit of the Administrative Agent, the Issuing Banks and the Lenders; provided, that all earnings on such investments will be credited to and retained in the Letter of Credit Collateral Account. The Administrative Agent shall exercise reasonable care in the custody and preservation of any funds held in the Letter of Credit Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Administrative Agent accords other funds deposited with the Administrative Agent, it being understood that the Administrative Agent shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any funds held in the Letter of Credit Collateral Account.

(c) If a drawing pursuant to any Letter of Credit occurs on or prior to the expiration date of such Letter of Credit, the Borrower and the Lenders authorize the Administrative Agent to use the monies deposited in the Letter

of Credit Collateral Account to reimburse the applicable Issuing Bank for the payment made by such Issuing Bank to the beneficiary with respect to such drawing or the payee with respect to such presentment.

(d) If an Event of Default exists, the Administrative Agent may (and, if instructed by the Requisite Lenders, shall) in its (or their) discretion at any time and from time to time elect to liquidate any such investments and reinvestments and apply the proceeds thereof to the Obligations in accordance with Section 10.5. Notwithstanding the foregoing, the Administrative Agent shall not be required to liquidate and release any such amounts if such liquidation or release would result in the amount available in the Letter of Credit Collateral Account being less than the Stated Amount of all Extended Letters of Credit that remain outstanding.

(e) So long as no Default or Event of Default exists, and to the extent amounts on deposit in or credited to the Letter of Credit Collateral Account exceed the aggregate amount of the Letter of Credit Liabilities then due and owing, the Administrative Agent shall, from time to time, at the request of the Borrower, deliver to the Borrower within 5 Business Days after the Administrative Agent's receipt of such request from the Borrower, against receipt but without any recourse, warranty or representation whatsoever, such amount of the credit balances in the Letter of Credit Collateral Account as exceeds the aggregate amount of Letter of Credit Liabilities at such time. Upon the expiration, termination or cancellation of an Extended Letter of Credit for which the Lenders reimbursed (or funded participations in) a drawing deemed to have occurred under the fourth sentence of Section 2.3.(b) for deposit into the Letter of Credit Collateral Account but in respect of which the Revolving Lenders have not otherwise received payment for the amount so reimbursed or funded, the Administrative Agent shall promptly remit to the Revolving Lenders the amount so reimbursed or funded for such Extended Letter of Credit that remains in the Letter of Credit Collateral Account, pro rata in accordance with the respective unpaid reimbursements or funded participations of the Revolving Lenders in respect of such Extended Letter of Credit, against receipt but without any recourse, warranty or representation whatsoever. When all of the Obligations shall have been indefeasibly paid in full and no Letters of Credit remain outstanding, the Administrative Agent shall deliver to the Borrower, against receipt but without any recourse, warranty or representation whatsoever, the balances remaining in the Letter of Credit Collateral Account.

(f) The Borrower shall pay to the Administrative Agent from time to time such fees as the Administrative Agent normally charges for similar services in connection with the Administrative Agent's administration of the Letter of Credit Collateral Account and investments and reinvestments of funds therein.

Section ~~10.1~~10.7. Performance by Administrative Agent.

If the Borrower or any other Loan Party shall fail to perform any covenant, duty or agreement contained in any of the Loan Documents, the Administrative Agent may, after notice to the Borrower, perform or attempt to perform such covenant, duty or agreement on behalf of the Borrower or such other Loan Party after the expiration of any cure or grace periods set forth herein. In such event, the Borrower shall, at the request of the Administrative Agent, promptly pay any amount reasonably expended by the Administrative Agent in such performance or attempted performance to the Administrative Agent, together with interest thereon at the applicable Post-Default Rate from the date of such expenditure until paid. Notwithstanding the foregoing, neither the Administrative Agent nor any Lender shall have any liability or responsibility whatsoever for the performance of any obligation of the Borrower under this Agreement or any other Loan Document.

Section ~~10.1~~10.8. Rights Cumulative.

(a) The rights and remedies of the Administrative Agent, the Issuing Banks, the Lenders and the Specified Derivatives Providers under this Agreement, each of the other Loan Documents, the Fee Letter and Specified Derivatives Contracts shall be cumulative and not exclusive of any rights or remedies which any of them may otherwise have under Applicable Law. In exercising their respective rights and remedies the Administrative Agent, the Issuing Banks, the Lenders and the Specified Derivatives Providers may be selective and no failure or delay by the Administrative Agent, any Issuing Bank, any of the Lenders or any of the Specified Derivatives Providers in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

(b) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Article X. for the benefit of all the Lenders and the Issuing Banks; provided that the foregoing shall not prohibit (i) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (ii) any Issuing Bank or any Swingline Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as an Issuing Bank or a Swingline Lender, as the case may be) hereunder or under the other Loan Documents, (iii) any Specified Derivatives Provider from exercising the rights and remedies that inure to its benefit under any Specified Derivatives Contract, (iv) any Lender from exercising setoff rights in accordance with Section 12.3. (subject to the terms of Section 3.3.), or (v) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (x) the Requisite Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Article X. and (y) in addition to the matters set forth in clauses (ii), (iv) and (v) of the preceding proviso and subject to Section 3.3., any Lender may, with the consent of the Requisite Lenders, enforce any rights and remedies available to it and as authorized by the Requisite Lenders.

ArticleARTICLE XI. The Administrative Agent

Section 11.1. Appointment and Authorization.

Each Lender hereby irrevocably appoints and authorizes the Administrative Agent to take such action as contractual representative on such Lender's behalf and to exercise such powers under this Agreement and the other Loan Documents as are specifically delegated to the Administrative Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. Not in limitation of the foregoing, each Lender authorizes and directs the Administrative Agent to enter into the Loan Documents for the benefit of the Lenders. Each Lender hereby agrees that, except as otherwise set forth herein, any action taken by the Requisite Lenders in accordance with the provisions of this Agreement or the Loan Documents, and the exercise by the Requisite Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. Nothing herein shall be construed to deem the Administrative Agent a trustee or fiduciary for any Lender or to impose on the Administrative Agent duties or obligations other than those expressly provided for herein. Without limiting the generality of the foregoing, the use of the terms "Agent", "Administrative Agent", "agent" and similar terms in the Loan Documents with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, use of such terms is merely a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. The Administrative Agent shall deliver to each Lender, promptly upon receipt thereof by the Administrative Agent, copies of each of the financial statements, certificates, notices and other documents delivered to the Administrative Agent pursuant to Article VIII. that the Borrower is not otherwise required to deliver directly to the Lenders. The Administrative Agent will furnish to any Lender, upon the request of such Lender, a copy (or, where appropriate, an original) of any document, instrument, agreement, certificate or notice furnished to the Administrative Agent by the Borrower, any other Loan Party or any other Affiliate of the Borrower, pursuant to this Agreement or any other Loan Document not already delivered or otherwise made available to such Lender pursuant to the terms of this Agreement or any such other Loan Document. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of any of the Obligations), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Requisite Lenders (or all of the Lenders if explicitly required under any other provision of this Agreement), and such instructions shall be binding upon all Lenders and all holders of any of the Obligations; provided, however, that, notwithstanding anything in this Agreement to the contrary, the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement or any other Loan Document or Applicable Law. Not in limitation of the foregoing, the Administrative Agent may exercise any right or remedy it or the Lenders may have under any Loan Document upon the occurrence of a Default or an Event of Default unless the Requisite Lenders have directed the Administrative Agent otherwise. Without limiting the foregoing, no Lender shall

have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of the Requisite Lenders, or where applicable, all the Lenders.

Section ~~H-11.1~~11.2. Administrative Agent as Lender.

The Lender acting as Administrative Agent shall have the same rights and powers under this Agreement and any other Loan Document as any other Lender and may exercise the same as though it were not the Administrative Agent; and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated, include such Lender in each case in its individual capacity. The Lender acting as Administrative Agent and its Affiliates may each accept deposits from, maintain deposits or credit balances for, invest in, lend money to, act as trustee under indentures of, serve as financial advisor to, and generally engage in any kind of business with the Borrower, any other Loan Party or any other Affiliate thereof as if it were any other bank and without any duty to account therefor to the Issuing Banks or the other Lenders. Further, the Administrative Agent and any Affiliate may accept fees and other consideration from the Borrower for services in connection with this Agreement or otherwise without having to account for the same to the Issuing Banks or the other Lenders. The Issuing Banks and the Lenders acknowledge that, pursuant to such activities, Wells Fargo or its Affiliates may receive information regarding the Borrower, other Loan Parties, other Subsidiaries and other Affiliates (including information that may be subject to confidentiality obligations in favor of such Person) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them.

Section ~~H-11.2~~11.3. Approvals of Lenders.

All communications from the Administrative Agent to any Lender requesting such Lender’s determination, consent, approval or disapproval (a) shall be given in the form of a written notice to such Lender, (b) shall be accompanied by a description of the matter or issue as to which such determination, approval, consent or disapproval is requested, or shall advise such Lender where information, if any, regarding such matter or issue may be inspected, or shall otherwise describe the matter or issue to be resolved, and (c) shall include, if reasonably requested by such Lender and to the extent not previously provided to such Lender, written materials provided to the Administrative Agent by the Borrower in respect of the matter or issue to be resolved. Unless a Lender shall give written notice to the Administrative Agent that it specifically objects to the requested determination, consent, approval or disapproval (together with a reasonable written explanation of the reasons behind such objection; *provided, that no insufficiency in any such explanation shall effect or otherwise impair such Lender’s objection to the requested determination, consent, approval or disapproval*) within fifteen (15) Business Days (or such lesser or greater period as may be specifically required under the express terms of the Loan Documents) of receipt of such communication, such Lender shall be deemed to have conclusively provided such requested determination, consent, approval or disapproval; *provided, however*, that this sentence shall not apply to amendments, waivers or consents that require the written consent of each Lender directly and adversely affected thereby pursuant to Section 12.6.(b).

Section ~~H-11.3~~11.4. Notice of Events of Default.

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or Event of Default unless the Administrative Agent has received notice from a Lender or the Borrower referring to this Agreement, describing with reasonable specificity such Default or Event of Default and stating that such notice is a “notice of default.” If any Lender (excluding the Lender which is also serving as the Administrative Agent) becomes aware of any Default or Event of Default, it shall promptly send to the Administrative Agent such a “notice of default”; *provided*, a Lender’s failure to provide such a “notice of default” to the Administrative Agent shall not result in any liability of such Lender to any other party under any of the Loan Documents. Further, if the Administrative Agent receives such a “notice of default,” the Administrative Agent shall give prompt notice thereof to the Lenders.

Section ~~H-11.4~~11.5. Administrative Agent’s Reliance.

Notwithstanding any other provisions of this Agreement or any other Loan Documents, neither the Administrative Agent nor any of its Related Parties shall be liable for any action taken or not taken by it under or in connection with this Agreement or any other Loan Document, except for its or their own gross negligence or willful

misconduct in connection with its duties expressly set forth herein or therein as determined by a court of competent jurisdiction in a final non-appealable judgment. Without limiting the generality of the foregoing, the Administrative Agent may consult with legal counsel (including its own counsel or counsel for the Borrower or any other Loan Party), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts. Neither the Administrative Agent nor any of its Related Parties: (a) makes any warranty or representation to any Lender, any Issuing Bank or any other Person, or shall be responsible to any Lender, any Issuing Bank or any other Person for any statement, warranty or representation made or deemed made by the Borrower, any other Loan Party or any other Person in or in connection with this Agreement or any other Loan Document; (b) shall have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Loan Document or the satisfaction of any conditions precedent under this Agreement or any Loan Document on the part of the Borrower or other Persons, or to inspect the property, books or records of the Borrower or any other Person; (c) shall be responsible to any Lender or any Issuing Bank for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document, any other instrument or document furnished pursuant thereto or any collateral covered thereby or the perfection or priority of any Lien in favor of the Administrative Agent on behalf of the Lenders, the Issuing Banks and the Specified Derivatives Providers in any such collateral; (d) shall have any liability in respect of any recitals, statements, certifications, representations or warranties contained in any of the Loan Documents or any other document, instrument, agreement, certificate or statement delivered in connection therewith; and (e) shall incur any liability under or in respect of this Agreement or any other Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telephone, telecopy or electronic mail) believed by it to be genuine and signed, sent or given by the proper party or parties. The Administrative Agent may execute any of its duties under the Loan Documents by or through agents, employees or attorneys-in-fact and shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct in the selection of such agent or attorney-in-fact as determined by a court of competent jurisdiction in a final non-appealable judgment.

Section ~~11.1~~ 11.6. Indemnification of Administrative Agent.

Each Lender agrees to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) pro rata in accordance with such Lender's respective Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, reasonable out-of-pocket costs and expenses of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against the Administrative Agent (in its capacity as Administrative Agent but not as a Lender) in any way relating to or arising out of the Loan Documents, any transaction contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under the Loan Documents (collectively, "Indemnifiable Amounts"); provided, however, that no Lender shall be liable for any portion of such Indemnifiable Amounts to the extent resulting from the Administrative Agent's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment; provided, however, that no action taken in accordance with the directions of the Requisite Lenders (or all of the Lenders, if expressly required hereunder) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Administrative Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) promptly upon demand for its ratable share of any out-of-pocket expenses (including the reasonable fees and expenses of the counsel to the Administrative Agent) incurred by the Administrative Agent in connection with the preparation, negotiation, execution, administration, or enforcement (whether through negotiations, legal proceedings, or otherwise) of, or legal advice with respect to the rights or responsibilities of the parties under, the Loan Documents, any suit or action brought by the Administrative Agent to enforce the terms of the Loan Documents and/or collect any Obligations, any "lender liability" suit or claim brought against the Administrative Agent and/or the Lenders, and any claim or suit brought against the Administrative Agent and/or the Lenders arising under any Environmental Laws. Such out-of-pocket expenses (including counsel fees) shall be advanced by the Lenders on the request of the Administrative Agent notwithstanding any claim or assertion that the Administrative Agent is not entitled to indemnification hereunder upon receipt of an undertaking by the Administrative Agent that the Administrative Agent will reimburse the Lenders if it is actually and finally determined by a court of competent jurisdiction that the

Administrative Agent is not so entitled to indemnification. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder or under the other Loan Documents and the termination of this Agreement. If the Borrower shall reimburse the Administrative Agent for any Indemnifiable Amount following payment by any Lender to the Administrative Agent in respect of such Indemnifiable Amount pursuant to this Section, the Administrative Agent shall share such reimbursement on a ratable basis with each Lender making any such payment.

Section ~~H-11~~11.7. Lender Credit Decision, Etc.

Each of the Lenders and the Issuing Banks expressly acknowledges and agrees that neither the Administrative Agent nor any of its Related Parties has made any representations or warranties to such Issuing Bank or such Lender and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Borrower, any other Loan Party or any other Subsidiary or Affiliate, shall be deemed to constitute any such representation or warranty by the Administrative Agent to any Issuing Bank or any Lender. Each of the Lenders and the Issuing Banks acknowledges that it has made its own credit and legal analysis and decision to enter into this Agreement and the transactions contemplated hereby, independently and without reliance upon the Administrative Agent, any other Lender or counsel to the Administrative Agent, or any of their respective Related Parties, and based on the financial statements of the Borrower, the other Loan Parties, the other Subsidiaries and other Affiliates, and inquiries of such Persons, its independent due diligence of the business and affairs of the Borrower, the other Loan Parties, the other Subsidiaries and other Persons, its review of the Loan Documents, the legal opinions required to be delivered to it hereunder, the advice of its own counsel and such other documents and information as it has deemed appropriate. Each of the Lenders and the Issuing Banks also acknowledges that it will, independently and without reliance upon the Administrative Agent, any other Lender or counsel to the Administrative Agent or any of their respective Related Parties, and based on such review, advice, documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under the Loan Documents. The Administrative Agent shall not be required to keep itself informed as to the performance or observance by the Borrower or any other Loan Party of the Loan Documents or any other document referred to or provided for therein or to inspect the properties or books of, or make any other investigation of, the Borrower, any other Loan Party or any other Subsidiary. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders and the Issuing Banks by the Administrative Agent under this Agreement or any of the other Loan Documents or furnished to the Administrative Agent for distribution to the Lenders and/or the Issuing Banks, the Administrative Agent shall have no duty or responsibility to provide any Lender or any Issuing Bank with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrower, any other Loan Party or any other Affiliate thereof which may come into possession of the Administrative Agent or any of its Related Parties. Each of the Lenders and the Issuing Banks acknowledges that the Administrative Agent's legal counsel in connection with the transactions contemplated by this Agreement is only acting as counsel to the Administrative Agent and is not acting as counsel to any Lender or any Issuing Bank.

Section ~~H-11~~11.8. Successor Administrative Agent.

The Administrative Agent may (a) resign at any time as Administrative Agent under the Loan Documents by giving written notice thereof to the Lenders and the Borrower or (b) be removed as Administrative Agent by all of the Lenders (excluding the Lender then acting as Administrative Agent) and the Borrower upon 30 days' prior written notice if the Administrative Agent is found by a court of competent jurisdiction in a final, non-appealable judgment to have committed gross negligence or willful misconduct in the course of performing its duties hereunder. Upon any such resignation or removal, the Requisite Lenders shall have the right to appoint a successor Administrative Agent which appointment shall, provided no Default or Event of Default exists, be subject to the Borrower's approval, which approval shall not be unreasonably withheld or delayed (except that the Borrower shall, in all events, be deemed to have approved each Lender and any of its Affiliates as a successor Administrative Agent). If no successor Administrative Agent shall have been so appointed in accordance with the immediately preceding sentence, and shall have accepted such appointment, within 30 days after the current Administrative Agent's giving of notice of resignation or giving of notice of removal of the Administrative Agent, then the current Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent, which shall be a Lender, if any Lender shall be willing to serve, and otherwise shall be an Eligible Assignee; provided that if the Administrative Agent shall notify the Borrower and the Lenders that no Lender has accepted such appointment, then such resignation or removal shall

nonetheless become effective in accordance with such notice and (1) the Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made to each Lender and each Issuing Bank directly, until such time as a successor Administrative Agent has been appointed as provided for above in this Section; provided, further that such Lenders and such Issuing Bank so acting directly shall be and be deemed to be protected by all indemnities and other provisions herein for the benefit and protection of the Administrative Agent as if each such Lender or such Issuing Bank were itself the Administrative Agent. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the current Administrative Agent, and the current Administrative Agent shall be discharged from its duties and obligations under the Loan Documents. Any resignation by, or removal of, an Administrative Agent shall also constitute the resignation or removal, as applicable, as an Issuing Bank and as a Swingline Lender by the Lender then acting as Administrative Agent (the “Resigning Lender”). Upon the acceptance of a successor’s appointment as Administrative Agent hereunder (i) the Resigning Lender shall be discharged from all duties and obligations of an Issuing Bank and a Swingline Lender hereunder and under the other Loan Documents and (ii) any successor Issuing Bank shall issue letters of credit in substitution for all Letters of Credit issued by the Resigning Lender as an Issuing Bank outstanding at the time of such succession (which letters of credit issued in substitution shall be deemed to be, and the substituted Letters of Credit shall cease to be, Letters of Credit issued hereunder) or make other arrangements satisfactory to the Resigning Lender to effectively assume the obligations of the Resigning Lender with respect to such Letters of Credit. After any Administrative Agent’s resignation hereunder as Administrative Agent, the provisions of this Article XI. shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under the Loan Documents. Notwithstanding anything contained herein to the contrary, the Administrative Agent may assign its rights and duties under the Loan Documents to any of its Affiliates by giving the Borrower and each Lender prior written notice.

Section ~~H.11.9~~ 11.9. Titled Agents.

Each of the Lead Arrangers, the Syndication Agents and the Documentation Agent (each a “Titled Agent”) in each such respective capacity, assumes no responsibility or obligation hereunder, including, without limitation, for servicing, enforcement or collection of any of the Loans, nor any duties as an agent hereunder for the Lenders. The titles given to the Titled Agents are solely honorific and imply no fiduciary responsibility on the part of the Titled Agents to the Administrative Agent, any Lender, any Issuing Bank, the Borrower or any other Loan Party and the use of such titles does not impose on the Titled Agents any duties or obligations greater than those of any other Lender or entitle the Titled Agents to any rights other than those to which any other Lender is entitled.

Section 11.10. Collateral Matters; Protective Advances.

(a) Each Lender hereby authorizes the Administrative Agent, without the necessity of any notice to or further consent from any Lender, from time to time prior to an Event of Default, to take any action with respect to any Collateral or any Loan Document which may be necessary to perfect and maintain perfected the Liens upon the Collateral granted pursuant to any of the Loan Documents.

(b) The Lenders hereby authorize the Administrative Agent, at its option and in its discretion, to release any Lien granted to or held by the Administrative Agent upon any Collateral (i) upon termination of the Commitments and indefeasible payment and satisfaction in full of all of the Obligations, (ii) as expressly permitted by, but only in accordance with, the terms of the applicable Loan Document, and (iii) if approved, authorized or ratified in writing by the Requisite Lenders (or such greater number of Lenders as this Agreement or any other Loan Document may expressly provide). Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Administrative Agent’s authority to release particular types or items of Collateral pursuant to this Section.

(c) Upon any sale and transfer of Collateral which is expressly permitted pursuant to the terms of this Agreement, and upon at least five (5) Business Days’ prior written request by the Borrower, the Administrative Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to the Administrative Agent for its benefit and the benefit of the Lenders hereunder or

pursuant hereto upon the Collateral that was sold or transferred; provided, however, that (i) the Administrative Agent shall not be required to execute any such document on terms which, in the Administrative Agent's opinion, would expose the Administrative Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty and (ii) such release shall not in any manner discharge, affect or impair the Obligations or any Liens upon (or obligations of the Borrower or any other Loan Party in respect of) all interests retained by the Borrower or any other Loan Party, including, without limitation, the proceeds of such sale or transfer, all of which shall continue to constitute part of the Collateral. In the event of any sale or transfer of Collateral, or any foreclosure with respect to any of the Collateral, the Administrative Agent shall be authorized to deduct all of the expenses reasonably incurred by the Administrative Agent from the proceeds of any such sale, transfer or foreclosure.

(d) The Administrative Agent shall have no obligation whatsoever to any Lender or to any other Person to assure that the Collateral exists or is owned by the Borrower, any other Loan Party or any other Subsidiary or is cared for, protected or insured or that the Liens granted to the Administrative Agent herein or pursuant hereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise or to continue exercising at all or in any manner or under any duty of care, disclosure or fidelity any of the rights, authorities and powers granted or available to the Administrative Agent in this Section or in any of the Loan Documents, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, the Administrative Agent may act in any manner it may deem appropriate, in its sole discretion, and that the Administrative Agent shall have no duty or liability whatsoever to the Lenders, except to the extent determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from its gross negligence or willful misconduct.

(e) The Administrative Agent may make, and shall be reimbursed by the Lenders (in accordance with their Pro Rata Shares) to the extent not reimbursed by the Borrower for, Protective Advances during any one (1) calendar year with respect to each Pledged Interest up to the sum of (i) amounts expended to pay taxes, assessments and governmental charges or levies imposed upon such Collateral; (ii) amounts expended to pay insurance premiums for policies of insurance related to such Collateral; and (iii) \$5,000,000. Protective Advances in excess of said sum during any calendar year for any Pledged Interest shall require the consent of the Requisite Lenders. The Borrower agrees to pay on demand all Protective Advances.

(f) By their acceptance of the benefits of the Pledge Agreement, each Lender that is at any time itself a Specified Derivatives Provider, or having an Affiliate that is a Specified Derivatives Provider, hereby, for itself, and on behalf of any such Affiliate, in its capacity as a Specified Derivatives Provider, acknowledges that obligations arising under any Specified Derivatives Contract are not secured by the Collateral.

Section 11.11. Post-Foreclosure Plans.

If all or any portion of the Collateral is acquired by the Administrative Agent as a result of a foreclosure or the acceptance of an assignment in lieu of foreclosure, or is retained in satisfaction of all or any part of the Obligations, the title to any such Collateral, or any portion thereof, shall be held in the name of the Administrative Agent or a nominee or Subsidiary of the Administrative Agent, as "Administrative Agent", for the ratable benefit of all Lenders. The Administrative Agent shall prepare a recommended course of action for such Collateral (a "**Post-Foreclosure Plan**"), which shall be subject to the approval of the Requisite Lenders. In accordance with the approved Post-Foreclosure Plan, the Administrative Agent shall manage, operate, repair, administer, complete, construct, restore or otherwise deal with the Collateral acquired, and shall administer all transactions relating thereto, including agents for the sale of such Collateral, and the collecting of sums from such Collateral and paying the expenses of such Collateral. Actions taken by the Administrative Agent with respect to the Collateral, which are not specifically provided for in the approved Post-Foreclosure Plan or reasonably incidental thereto, shall require the written consent of the Requisite Lenders by way of supplement to such Post-Foreclosure Plan. Upon demand therefor from time to time, each Lender will contribute its share (based on its Pro Rata Share) of all reasonable costs and expenses incurred by the Administrative Agent pursuant to the approved Post-Foreclosure Plan in connection with the maintenance and sale of such Collateral. In addition, the Administrative Agent shall render or cause to be rendered to each Lender, on a monthly basis, an income and expense statement for such Collateral, and each Lender shall promptly contribute its Pro Rata Share of any operating loss for such Collateral, and such other expenses and operating reserves as the Administrative Agent

shall deem reasonably necessary pursuant to and in accordance with the approved Post-Foreclosure Plan. To the extent there is net operating income from such Collateral, the Administrative Agent shall, in accordance with the approved Post-Foreclosure Plan, determine the amount and timing of distributions to the Lender. All such distributions shall be made to the Lenders in accordance with their respective Pro Rata Shares. The Lenders acknowledge and agree that if title to any Collateral is obtained by the Administrative Agent or its nominee, such Collateral will not be held as a permanent investment but will, consistent with and subject to the requirements of Section 11.10 and this Section 11.11, be liquidated and the proceeds of such liquidation will be distributed in accordance with Section 10.5 as soon as practicable. The Administrative Agent shall undertake to sell such Collateral, at such price and upon such terms and conditions as the Requisite Lenders reasonably shall determine to be most advantageous to the Lenders.

~~Article~~ARTICLE XII. Miscellaneous

Section 12.1. Notices.

Unless otherwise provided herein (including without limitation as provided in Section 8.5.), communications provided for hereunder shall be in writing and shall be mailed, telecopied, or delivered as follows:

If to the Borrower:

~~Hospitality~~Service Properties Trust

Two Newton Place

255 Washington Street, Suite 300

Newton, Massachusetts 02458-1634

Attention: Chief Financial Officer

Telecopy Number: (617) 219-8349

Telephone Number: (617) 796-8350

If to the Administrative Agent:

Wells Fargo Bank, National Association

One Wells Fargo Center

301 South College Street

Charlotte, North Carolina 28202

Attn: Anand J. Jobanputra

Telecopier: (704) 715-1428

Telephone: (704) 383-4013

If to the Administrative Agent under Article II.:

Wells Fargo Bank, National Association

Minneapolis Loan Center

600 South 4th Street, 9th Floor

Minneapolis, Minnesota 55415

Attn: Marsha Rouch

Telecopier: (866) 968-5589

Telephone: (612) 667-1098

If to Wells Fargo Bank, National Association as Issuing Bank or Swingline Lender:

Wells Fargo Bank, National Association

600 South 4th Street, 9th Floor

Minneapolis, MN 55415

Attn: Marsha Rouch

Telecopier: (866) 968-5589

Telephone: (612) 667-1098

With a copy to:

Wells Fargo Bank, National Association

2030 Main Street

Suite 800

Irvine, California 92614

Attn: Rhonda Friedly

Telecopier: (949) 851-9728

Telephone: (949) 251-4383

If to Bank of America, N.A. as Issuing Bank or Swingline Lender:

Bank of America, N.A.

Global Trade Operations

One Fleet Way, 2nd Floor

Mail Code PA6-580-02-30

Scranton, PA 18507

Telecopier: 1.800.755.8743

Telephone: 1.800.370.7519

E-mail Address: ~~seranton_standby_lc@bankofamerica.com~~scranton_standby_lc@bankofamerica.com

SWIFT Address: BOFAUS3N

If to PNC Bank, National Association as Issuing Bank:

PNC Bank, National Association

Participated Servicing

6750 Miller Rd

Brecksville, OH 44141-3265

Attn: Myra Ollison

If to Royal Bank of Canada as Issuing Bank:

Royal Bank of Canada

30 Hudson Street,

28th floor

Jersey City, NJ 07302-4699

Attn: Credit Administration

Telecopier: 212.428.3015

Telephone: 212.428.6298

If to any other Lender:

To such Lender's address or telecopy number as set forth in the applicable Administrative Questionnaire

or, as to each party at such other address as shall be designated by such party in a written notice to the other parties delivered in compliance with this Section; provided, a Lender or an Issuing Bank shall only be required to give notice of any such other address to the Administrative Agent and the Borrower. All such notices and other communications shall be effective (i) if mailed, upon the first to occur of receipt or the expiration of three (3) days after the deposit in the United States Postal Service mail, postage

prepaid and addressed to the address of the Borrower or the Administrative Agent, the Issuing Banks and the Lenders at the addresses specified; (ii) if telecopied, when transmitted; (iii) if hand delivered or sent by overnight courier, when delivered; or (iv) if delivered in accordance with Section 8.5. to the extent applicable; provided, however, that, in the case of the immediately preceding clauses (i), (ii) and (iii), non-receipt of any communication as of the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. Notwithstanding the immediately preceding sentence, all notices or communications to the Administrative Agent, any Issuing Bank or any Lender under Article II. shall be effective only when actually received. None of the Administrative Agent, any Issuing Bank or any Lender shall incur any liability to any Loan Party (nor shall the Administrative Agent incur any liability to the Issuing Banks or the Lenders) for acting upon any telephonic notice referred to in this Agreement which the Administrative Agent, such Issuing Bank or such Lender, as the case may be, believes in good faith to have been given by a Person authorized to deliver such notice or for otherwise acting in good faith hereunder. Failure of a Person designated to get a copy of a notice to receive such copy shall not affect the validity of notice properly given to another Person.

Section ~~12.1~~12.2. Expenses.

The Borrower agrees (a) to pay or reimburse the Administrative Agent for all of its reasonable out-of-pocket costs and expenses incurred in connection with the preparation, negotiation and execution of, and any amendment, supplement or modification to, any of the Loan Documents (including due diligence expense and reasonable travel expenses related to closing), and the consummation of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent and all costs and expenses of the Administrative Agent in connection with the use of IntraLinks, SyndTrak or other similar information transmission systems in connection with the Loan Documents, (b) to pay or reimburse the Administrative Agent, the Issuing Banks and the Lenders for all their reasonable costs and expenses incurred in connection with the enforcement or preservation of any rights under the Loan Documents and the Fee Letter, including the reasonable fees and disbursements of their respective counsel (including the allocated fees and expenses of in-house counsel) and any payments in indemnification or otherwise payable by the Lenders to the Administrative Agent pursuant to the Loan Documents, (c) to pay, and indemnify and hold harmless the Administrative Agent, the Issuing Banks and the Lenders from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any failure to pay or delay in paying, documentary, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of any of the Loan Documents, or consummation of any amendment, supplement or modification of, or any waiver or consent under or in respect of, any Loan Document and (d) to the extent not already covered by any of the preceding subsections, to pay or reimburse the fees and disbursements of counsel to the Administrative Agent, any Issuing Bank and any Lender incurred in connection with the representation of the Administrative Agent, such Issuing Bank or such Lender in any matter relating to or arising out of any bankruptcy or other proceeding of the type described in Sections 10.1.(e) or 10.1.(f), including, without limitation (i) any motion for relief from any stay or similar order, (ii) the negotiation, preparation, execution and delivery of any document relating to the Obligations and (iii) the negotiation and preparation of any debtor-in-possession financing or any plan of reorganization of the Borrower or any other Loan Party, whether proposed by the Borrower, such Loan Party, the Lenders or any other Person, and whether such fees and expenses are incurred prior to, during or after the commencement of such proceeding or the confirmation or conclusion of any such proceeding. If the Borrower shall fail to pay any amounts required to be paid by it pursuant to this Section, the Administrative Agent and/or the Lenders may pay such amounts on behalf of the Borrower and such amounts shall be deemed to be Obligations owing hereunder.

Section ~~12.1~~12.3. Setoff.

Subject to Section 3.3. and in addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, the Borrower hereby authorizes the Administrative Agent, each Issuing Bank, each Lender, each Affiliate of the Administrative Agent, any Issuing Bank or any Lender, and each Participant, at any time or from time to time while an Event of Default exists, without notice to the Borrower or to any other Person, any such notice being hereby expressly waived, but in the case of an Issuing Bank, a Lender, an Affiliate of an Issuing Bank or a Lender, or a Participant, subject to receipt of the prior written consent of the Requisite Lenders exercised in their sole discretion, to set off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness at any time held or owing by the Administrative Agent, such Issuing Bank, such Lender, any Affiliate of the Administrative Agent, such Issuing Bank or such Lender, or such Participant, to or for the credit or the account of

the Borrower against and on account of any of the Obligations, irrespective of whether or not any or all of the Loans and all other Obligations have been declared to be, or have otherwise become, due and payable as permitted by Section 10.2., and although such Obligations shall be contingent or unmatured. Notwithstanding anything to the contrary in this Section, if any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 3.9. and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Banks and the Lenders and (y) such Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff.

Section ~~12.1~~ 12.4. Litigation; Jurisdiction; Other Matters; Waivers.

(a) EACH PARTY HERETO ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN OR AMONG THE BORROWER, THE ADMINISTRATIVE AGENT, any of the ISSUING BANKs OR ANY OF THE LENDERS WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND WOULD RESULT IN DELAY AND EXPENSE TO THE PARTIES. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE LENDERS, THE ADMINISTRATIVE AGENT, THE ISSUING BANKS AND THE BORROWER HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST ANY PARTY HERETO ARISING OUT OF THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE FEE LETTER OR BY REASON OF ANY OTHER SUIT, CAUSE OF ACTION OR DISPUTE WHATSOEVER BETWEEN OR AMONG THE BORROWER, THE ADMINISTRATIVE AGENT, any of the ISSUING BANKs OR ANY OF THE LENDERS OF ANY KIND OR NATURE RELATING TO ANY OF THE LOAN DOCUMENTS.

(b) THE BORROWER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, ANY ISSUING BANK, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY ISSUING BANK MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION. EACH PARTY FURTHER WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM AND EACH AGREES NOT TO PLEAD OR CLAIM THE SAME. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE ADMINISTRATIVE AGENT, ANY ISSUING BANK OR ANY LENDER OR THE ENFORCEMENT BY THE ADMINISTRATIVE AGENT, ANY ISSUING BANK OR ANY LENDER OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

(c) THE PROVISIONS OF THIS SECTION HAVE BEEN CONSIDERED BY EACH PARTY WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS, THE TERMINATION OR EXPIRATION OF ALL LETTERS OF CREDIT AND THE TERMINATION OF THIS AGREEMENT.

Section ~~12.1~~ 12.5. Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder or under any other Loan Document without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of the immediately following subsection (b), (ii) by way of participation in accordance with the provisions of the immediately following subsection (d) or (iii) by way of pledge or assignment of a security interest subject to the restrictions of the immediately following subsection (f) (and, subject to the last sentence of the immediately following subsection (b), any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in the immediately following subsection (d) and, to the extent expressly contemplated hereby, the Related Parties of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of an assigning Revolving Lender's Revolving Commitment and/or the Loans at the time owing to it, or in the case of an assignment of the entire remaining amount of an assigning Term Loan Lender's Term Loans at the time owing to it, or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in the immediately preceding subsection (A), the aggregate amount of the Revolving Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Revolving Commitment is not then in effect, the principal outstanding balance of the Revolving Loans of the assigning Lender subject to each such assignment, and the principal outstanding balance of the Term Loan subject to such assignment (in each case, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, unless each of the Administrative Agent and the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed) (provided that the Borrower's consent shall not be required if a Default or Event of Default shall exist at the time of such assignment); provided, however, that if, after giving effect to such assignment, the amount of the Revolving Commitment held by such assigning Lender or the outstanding principal balance of the Loans of such assigning Lender, as applicable, would be less than \$5,000,000, then such assigning Lender shall assign the entire amount of its Revolving Commitment or the Loans at the time owing to it, as applicable.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Revolving Commitment assigned, except that this clause (ii) shall not prohibit any Lender

from assigning all or a portion of its rights and obligations in respect of its Revolving Commitment and its Term Loan on a non-pro rata basis.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by clause (i)(B) of this subsection (b) and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default or Event of Default shall exist at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within 5 Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (a) a Revolving Commitment if such assignment is to a Person that is not already a Revolving Lender with a Commitment, an Affiliate of such a Revolving Lender or an Approved Fund with respect to such a Lender or (y) a Term Loan to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of each Swingline Lender and each Issuing Bank (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of a Revolving Commitment.

(iv) Assignment and Assumption; Notes. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$4,500 for each assignment (which fee the Administrative Agent may, in its sole discretion, elect to waive), and the assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. If requested by the transferor Lender or the assignee, upon the consummation of any assignment, the transferor Lender, the Administrative Agent and the Borrower shall make appropriate arrangements so that new Notes are issued to the assignee and such transferor Lender, as appropriate.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or to any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to such assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, each Issuing Bank, each Swingline Lender and each other Lender hereunder (and interest accrued thereon), and (y) if such Lender will be a Revolving Lender, acquire (and fund as appropriate) its full pro rata share of all Revolving Loans and participations in Letters of Credit and Swingline Loans in accordance with its Revolving Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to the immediately following subsection (c), from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.10., 4.1., 4.4., 12.2. and 12.9. and the other provisions of this Agreement and the other Loan Documents as provided in Section 12.10. with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with the immediately following subsection (d).

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at the Principal Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, any Swingline Lender or any Issuing Bank, sell participations to any Person (other than a natural person or the Borrower or any of the Borrower's Affiliates or Subsidiaries or a Defaulting Lender) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Revolving Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Issuing Banks and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver of any provision of any Loan Document that (w) increases such Lender's Commitment or reduces the principal of any such Lender's Loans, in each case, in which such Participant has a participation, (x) extends the date fixed for the payment of principal on the Loans or portions thereof owing to such Lender, (y) reduces the rate at which interest is payable thereon or (z) releases any Guarantor from its Obligations under the Guaranty except as contemplated by Section 7.13.(b), in each case, as applicable to that portion of such Lender's rights and/or obligations that are subject to the participation. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.10., 4.1., 4.4. (subject to the requirements and limitations therein, including the requirements under Section 3.10.(g) (it being understood that the documentation required under Section 3.10.(c) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 4.6. as if it were an assignee under subsection (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 4.1. or 3.10., with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Regulatory Change that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 4.6. with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.3. as though it were a Lender; provided that such Participant agrees to be subject to Section 3.3. as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated

interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) No Registration. Each Lender agrees that, without the prior written consent of the Borrower and the Administrative Agent, it will not make any assignment hereunder in any manner or under any circumstances that would require registration or qualification of, or filings in respect of, any Loan or Note under the Securities Act or any other securities laws of the United States of America or of any other jurisdiction.

(g) USA Patriot Act Notice; Compliance. In order for the Administrative Agent to comply with "know your customer" and anti-money laundering rules and regulations, including without limitation, the Patriot Act, prior to any Lender that is organized under the laws of a jurisdiction outside of the United States of America becoming a party hereto, the Administrative Agent may request, and such Lender shall provide to the Administrative Agent, its name, address, tax identification number and/or such other identification information as shall be necessary for the Administrative Agent to comply with federal law.

Section ~~12.1~~ 12.6. Amendments and Waivers.

(a) Generally. Except as otherwise expressly provided in this Agreement, (i) any consent or approval required or permitted by this Agreement or any other Loan Document to be given by the Lenders may be given, (ii) any term of this Agreement or of any other Loan Document may be amended, (iii) the performance or observance by the Borrower, any other Loan Party or any other Subsidiary of any terms of this Agreement or such other Loan Document may be waived, and (iv) the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Requisite Lenders (or the Administrative Agent at the written direction of the Requisite Lenders), and, in the case of an amendment to any Loan Document, the written consent of each Loan Party which is party thereto. Subject to the immediately following subsection (b), any term of this Agreement or of any other Loan Document relating to the rights or obligations of the Revolving Lenders, and not any other Lenders, may be amended, and the performance or observance by the Borrower or any other Loan Party or any Subsidiary of any such terms may be waived (either generally or in a particular instance and either retroactively or prospectively) with, and only with, the written consent of the Requisite Revolving Lenders (and, in the case of an amendment to any Loan Document, the written consent of each Loan Party a party thereto). Subject to the immediately following subsection (b), any term of this Agreement or of any other Loan Document relating to the rights or obligations of the Term Loan Lenders, and not any other Lenders, may be amended, and the performance or observance by the Borrower or any other Loan Party or any Subsidiary of any such terms may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Requisite Term Loan Lenders (and, in the case of an amendment to any Loan Document, the written consent of each Loan Party a party thereto). Notwithstanding anything to the contrary contained in this Section, the Fee Letter may only be amended, and the performance or observance by any Loan Party thereunder may only be waived, in a writing executed by the parties thereto.

(b) Consent of Lenders Directly Affected. In addition to the foregoing requirements, no amendment, waiver or consent shall:

(i) increase (or reinstate) a Commitment of a Lender (excluding any increase as a result of an assignment of Commitments permitted under Section 12.5. and any increases contemplated under Section 2.16.) or subject such Lender to any additional obligations without the written consent of such Lender;

(ii) reduce the principal of, or interest that has accrued or the rates of interest that will be charged on the outstanding principal amount of, any Loans or other Obligations without the written consent of each Lender directly affected thereby; provided, however, only the written consent of the Requisite Lenders shall be required for the waiver of interest payable at the Post-Default Rate, retraction of the imposition of interest at the Post-Default Rate and amendment of the definition of “Post-Default Rate”;

(iii) reduce the amount of any Fees payable to a Lender without the written consent of such Lender;

(iv) modify the definitions of “Revolving Termination Date” (except in accordance with Section 2.13.) or “Revolving Commitment Percentage”, or otherwise postpone any date fixed for, or forgive, any payment of principal of, or interest on, any Revolving Loans or for the payment of any other Obligations owing to the Revolving Lenders, or extend the expiration date of any Letter of Credit beyond the Revolving Termination Date (except as permitted under Section 2.3.(b)) or, with respect to any Letter of Credit having an expiration date beyond the Revolving Termination Date as permitted by Section 2.3.(b), extend the expiration date of such Letter of Credit, in each case, without the written consent of each Revolving Lender;

(v) modify the definitions of “Term Loan Maturity Date” or “Term Loan Percentage”, or otherwise postpone any date fixed for, or forgive, any payment of principal of, or interest on, any Term Loans or for the payment of any other Obligations owing to the Term Loan Lenders, in each case, without the written consent of each Term Loan Lender;

(vi) while any Term Loans remain outstanding, amend, modify or waive (A) Section 5.2. or any other provision of this Agreement if the effect of such amendment, modification or waiver is to require the Revolving Lenders to make Revolving Loans when such Lenders would not otherwise be required to do so, (B) the amount of the Swingline Commitment or (C) the L/C Commitment Amount, in each case, without the written consent of the Requisite Revolving Lenders;

(vii) modify the definition of “Pro Rata Share” or amend or otherwise modify the provisions of Section 3.2. without the written consent of each Lender;

(viii) amend this Section or amend any of the other definitions of the terms used in this Agreement or the other Loan Documents insofar as such definitions affect the substance of this Section without the written consent of each Lender;

(ix) modify the definition of the term “Requisite Revolving Lenders” or modify in any other manner the number or percentage of the Revolving Lenders required to make any determinations or waive any rights hereunder or to modify any provision hereof without the written consent of each Revolving Lender;

(x) modify the definition of the term “Requisite Term Loan Lenders” or modify in any other manner the number or percentage of the Term Loan Lenders required to make any determinations or waive any rights hereunder or to modify any provision hereof without the written consent of each Term Loan Lender;

(xi) modify the definition of the term “Requisite Lenders” or modify in any other manner the number or percentage of the Lenders required to make any determinations or waive any rights hereunder or to modify any provision hereof without the written consent of each Lender;

(xii) release any Guarantor from its obligations under the Guaranty except as contemplated by Section 7.13.(b) without the written consent of each Lender;

(xiii) waive a Default or Event of Default under Section 10.1.(a) without the written consent of each Lender; or

(xiv) amend, or waive the Borrower's compliance with, Section 2.15. without the written consent of each Lender.

(c) Amendment of Administrative Agent's Duties, Etc. No amendment, waiver or consent unless in writing and signed by the Administrative Agent, in addition to the Lenders required hereinabove to take such action, shall affect the rights or duties of the Administrative Agent under this Agreement or any of the other Loan Documents. Any amendment, waiver or consent relating to Section 2.4. or the obligations of a Swingline Lender under this Agreement or any other Loan Document shall, in addition to the Lenders required hereinabove to take such action, require the written consent of such Swingline Lender. Any amendment, waiver or consent relating to Section 2.3. or the obligations of an Issuing Bank under this Agreement or any other Loan Document shall, in addition to the Lenders required hereinabove to take such action, require the written consent of such Issuing Bank. The Administrative Agent and the Borrower may, without the consent of any Lender, enter into the amendments or modifications to this Agreement or any of the other Loan Documents or enter into additional Loan Documents as the Administrative Agent reasonably deems appropriate in order to implement any Replacement Rate or otherwise effectuate the terms of Section 4.2.(b) in accordance with the terms of Section 4.2.(b). Any amendment, waiver or consent with respect to any Loan Document that (i) diminishes the rights of a Specified Derivatives Provider in a manner or to an extent dissimilar to that affecting the Lenders or (ii) increases the liabilities or obligations of a Specified Derivatives Provider shall, in addition to the Lenders required hereinabove to take such action, require the consent of the Lender that is (or having an Affiliate that is) such Specified Derivatives Provider. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) a Commitment of a Defaulting Lender may not be increased, reinstated or extended without the written consent of such Defaulting Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the written consent of such Defaulting Lender. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon and any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose set forth therein. No course of dealing or delay or omission on the part of the Administrative Agent or any Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. Any Event of Default occurring hereunder shall continue to exist until such time as such Event of Default is waived in writing in accordance with the terms of this Section, notwithstanding any attempted cure or other action by the Borrower, any other Loan Party or any other Person subsequent to the occurrence of such Event of Default. Except as otherwise explicitly provided for herein or in any other Loan Document, no notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances.

(d) Technical Amendments. Notwithstanding anything to the contrary in this Section 12.6., if the Administrative Agent and the Borrower have jointly identified an ambiguity, omission, mistake or defect in any provision of this Agreement or an inconsistency between provisions of this Agreement, the Administrative Agent and the Borrower shall be permitted to amend such provision or provisions to cure such ambiguity, omission, mistake, defect or inconsistency so long as to do so would not adversely affect the interests of the Lenders and the Issuing Banks. Any such amendment shall become effective without any further action or consent of any of other party to this Agreement and the Administrative Agent will provide a copy of such amendment to the Lenders.

Section ~~12.1~~ 12.7. Nonliability of Administrative Agent and Lenders.

The relationship between the Borrower, on the one hand, and the Lenders, the Issuing Banks and the Administrative Agent, on the other hand, shall be solely that of borrower and lender. None of the Administrative Agent, any Issuing Bank or any Lender shall have any fiduciary responsibilities to the Borrower and no provision in this Agreement or in any of the other Loan Documents, and no course of dealing between or among any of the parties hereto, shall be deemed to create any fiduciary duty owing by the Administrative Agent, any Issuing Bank or any Lender to any Lender, the Borrower, any Subsidiary or any other Loan Party. None of the Administrative Agent, any

Issuing Bank or any Lender undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations.

Section ~~12.1~~ 12.8. Confidentiality.

Except as otherwise provided by Applicable Law, the Administrative Agent, each Issuing Bank and each Lender shall maintain the confidentiality of all Information (as defined below) in accordance with its customary procedure for handling confidential information of this nature and in accordance with safe and sound banking practices but in any event may make disclosure: (a) to its Affiliates and to its and its Affiliates' other respective Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any actual or proposed assignee, Participant or other transferee in connection with a potential transfer of any Commitment or participation therein as permitted hereunder, or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations; (c) as required or requested by any Governmental Authority or representative thereof or pursuant to legal process or in connection with any legal proceedings, or as otherwise required by Applicable Law; (d) to the Administrative Agent's, such Issuing Bank's or such Lender's independent auditors and other professional advisors (provided they shall be notified of the confidential nature of the information); (e) in connection with the exercise of any remedies under any Loan Document (or any Specified Derivatives Contract) or any action or proceeding relating to any Loan Document (or any such Specified Derivatives Contract) or the enforcement of rights hereunder or thereunder; (f) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section actually known by the Administrative Agent, such Issuing Bank or such Lender to be a breach of this Section or (ii) becomes available to the Administrative Agent, any Issuing Bank, any Lender or any Affiliate of the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than the Borrower or any Affiliate of the Borrower; (g) to the extent requested by, or required to be disclosed to, any nationally recognized rating agency or regulatory or similar authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners) having or purporting to have jurisdiction over it; (h) to bank trade publications, such information to consist of deal terms and other information customarily found in such publications; (i) to any other party hereto; ~~and~~ (j) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loan Documents; (k) for purposes of establishing a "due diligence" defense, and (l) with the consent of the Borrower. Notwithstanding the foregoing, the Administrative Agent, each Issuing Bank and each Lender may disclose any such confidential information, without notice to the Borrower or any other Loan Party, to Governmental Authorities in connection with any regulatory examination of the Administrative Agent, such Issuing Bank or such Lender or in accordance with the regulatory compliance policy of the Administrative Agent, such Issuing Bank or such Lender. As used in this Section, the term "Information" means all information received from the Borrower, any other Loan Party, any other Subsidiary or Affiliate relating to any Loan Party or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or any Issuing Bank on a nonconfidential basis prior to disclosure by the Borrower, any other Loan Party, any other Subsidiary or any Affiliate, provided that, in the case of any such information received from the Borrower, any other Loan Party, any other Subsidiary or any Affiliate after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section ~~12.1~~ 12.9. Indemnification.

(a) The Borrower shall and hereby agrees to indemnify, defend and hold harmless the Administrative Agent, the Issuing Banks, the Lenders, all of the Affiliates of each of the Administrative Agent, any of the Issuing Banks or any of the Lenders, and their respective Related Parties (each referred to herein as an "Indemnified Party") from and against any and all of the following (collectively, the "Indemnified Costs"): losses, costs, claims, penalties, damages, liabilities, deficiencies, judgments or expenses of every kind and nature (including, without limitation, amounts paid in settlement, court costs and the fees and disbursements of counsel incurred in connection with any litigation, investigation, claim or proceeding or any advice rendered in connection therewith, but excluding Indemnified

Costs indemnification in respect of which is specifically covered by Section 3.10. or 4.1. or expressly excluded from the coverage of such Sections) incurred by an Indemnified Party in connection with, arising out of, or by reason of, any suit, cause of action, claim, arbitration, investigation or settlement, consent decree or other proceeding (the foregoing referred to herein as an “Indemnity Proceeding”) which is in any way related directly or indirectly to: (i) this Agreement or any other Loan Document or the transactions contemplated thereby; (ii) the making of any Loans or issuance of Letters of Credit hereunder; (iii) any actual or proposed use by the Borrower of the proceeds of the Loans or Letters of Credit; (iv) the Administrative Agent’s, any Issuing Bank’s or any Lender’s entering into this Agreement; (v) the fact that the Administrative Agent, the Issuing Banks and the Lenders have established the credit facility evidenced hereby in favor of the Borrower; (vi) the fact that the Administrative Agent, the Issuing Banks and the Lenders are creditors of the Borrower and have or are alleged to have information regarding the financial condition, strategic plans or business operations of the Borrower and the Subsidiaries; (vii) the fact that the Administrative Agent, the Issuing Banks and the Lenders are material creditors of the Borrower and are alleged to influence directly or indirectly the business decisions or affairs of the Borrower and the Subsidiaries or their financial condition; (viii) the exercise of any right or remedy the Administrative Agent, the Issuing Banks or the Lenders may have under this Agreement or the other Loan Documents; provided, however, that the Borrower shall not be obligated to indemnify any Indemnified Party for any acts or omissions of such Indemnified Party in connection with matters described in this clause (viii) to the extent arising from the gross negligence or willful misconduct of such Indemnified Party, as determined by a court of competent jurisdiction in a final, non-appealable judgment; (ix) any civil penalty or fine assessed by the OFAC against, and all costs and expenses (including counsel fees and disbursements) incurred in connection with defense thereof by, the Administrative Agent, any Issuing Bank or any Lender as a result of conduct of the Borrower, any other Loan Party or any other Subsidiary that violates a sanction administered or enforced by the OFAC; or (x) any violation or non-compliance by the Borrower or any Subsidiary of any Applicable Law (including any Environmental Law) including, but not limited to, any Indemnity Proceeding commenced by (A) the Internal Revenue Service or state taxing authority or (B) any Governmental Authority or other Person under any Environmental Law, including any Indemnity Proceeding commenced by a Governmental Authority or other Person seeking remedial or other action to cause the Borrower or its Subsidiaries (or its respective properties) (or the Administrative Agent and/or the Lenders and/or the Issuing Banks as successors to the Borrower) to be in compliance with such Environmental Laws.

(b) The Borrower’s indemnification obligations under this Section shall apply to all Indemnity Proceedings arising out of, or related to, the foregoing whether or not an Indemnified Party is a named party in such Indemnity Proceeding. In this connection, this indemnification shall cover all Indemnified Costs of any Indemnified Party in connection with any deposition of any Indemnified Party or compliance with any subpoena (including any subpoena requesting the production of documents). This indemnification shall, among other things, apply to any Indemnity Proceeding commenced by other creditors of the Borrower or any Subsidiary, any shareholder of the Borrower or any Subsidiary (whether such shareholder(s) are prosecuting such Indemnity Proceeding in their individual capacity or derivatively on behalf of the Borrower), any account debtor of the Borrower or any Subsidiary or by any Governmental Authority.

(c) This indemnification shall apply to any Indemnity Proceeding arising during the pendency of any bankruptcy proceeding filed by or against the Borrower and/or any Subsidiary.

(d) All out-of-pocket fees and expenses of, and all amounts paid to third-persons by, an Indemnified Party shall be advanced by the Borrower at the request of such Indemnified Party notwithstanding any claim or assertion by the Borrower that such Indemnified Party is not entitled to indemnification hereunder upon receipt of an undertaking by such Indemnified Party that such Indemnified Party will reimburse the Borrower if it is actually and finally determined by a court of competent jurisdiction that such Indemnified Party is not so entitled to indemnification hereunder.

(e) An Indemnified Party may conduct its own investigation and defense of, and may formulate its own strategy with respect to, any Indemnity Proceeding covered by this Section and, as provided above, all Indemnified Costs incurred by such Indemnified Party shall be reimbursed by the Borrower. No action taken by legal counsel chosen by an Indemnified Party in investigating or defending against any such Indemnity Proceeding shall vitiate or in any way impair the obligations and duties of the Borrower hereunder to indemnify and hold harmless each such

Indemnified Party; provided, however, that if (i) the Borrower is required to indemnify an Indemnified Party pursuant hereto and (ii) the Borrower has provided evidence reasonably satisfactory to such Indemnified Party that the Borrower has the financial wherewithal to reimburse such Indemnified Party for any amount paid by such Indemnified Party with respect to such Indemnity Proceeding, such Indemnified Party shall not settle or compromise any such Indemnity Proceeding without the prior written consent of the Borrower (which consent shall not be unreasonably withheld or delayed). Notwithstanding the foregoing, an Indemnified Party may settle or compromise any such Indemnity Proceeding without the prior written consent of the Borrower where (x) no monetary relief is sought against such Indemnified Party in such Indemnity Proceeding or (y) there is an allegation of a violation of law by such Indemnified Party.

(f) If and to the extent that the obligations of the Borrower under this Section are unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under Applicable Law.

(g) The Borrower's obligations under this Section shall survive any termination of this Agreement and the other Loan Documents and the payment in full in cash of the Obligations, and are in addition to, and not in substitution of, any of the other obligations set forth in this Agreement or any other Loan Document to which it is a party.

References in this Section 12.9. to "Lender" or "Lenders" shall be deemed to include such Persons (and their Affiliates) in their capacity as Specified Derivatives Providers.

Section ~~12.1.~~12.10. Termination; Survival.

This Agreement shall terminate at such time as (a) all of the Commitments have been terminated, (b) all Letters of Credit have terminated or expired or been cancelled (other than Extended Letters of Credit in respect of which the Borrower has satisfied the requirements to provide Cash Collateral as required in Section 2.3.(b)), (c) none of the Lenders is obligated any longer under this Agreement to make any Loans and the Issuing Banks are no longer obligated under this Agreement to issue Letters of Credit and (d) all Obligations (other than obligations which survive as provided in the following sentence) have been paid and satisfied in full; provided, however, if on the Revolving Termination Date, or any other date the Revolving Commitments are terminated or reduced to zero (whether voluntarily, by reason of the occurrence of an Event of Default or otherwise), any Letters of Credit remain outstanding, then the provisions of this Agreement applicable to Letters of Credit, including without limitation, the terms of Section 2.13 and the Borrower's reimbursement obligations under Section 2.3.(d), shall remain in effect until all such Letters of Credit have expired, have been cancelled or have otherwise terminated. The indemnities to which the Administrative Agent, the Issuing Banks and the Lenders are entitled under the provisions of Sections 3.10., 4.1., 4.4., 11.6., 12.2. and 12.9. and any other provision of this Agreement and the other Loan Documents, and the provisions of Sections 12.4. and 12.12., shall continue in full force and effect and shall protect the Administrative Agent, the Issuing Banks and the Lenders (i) notwithstanding any termination of this Agreement, or of the other Loan Documents, against events arising after such termination as well as before and (ii) at all times after any such party ceases to be a party to this Agreement with respect to all matters and events existing on or prior to the date such party ceased to be a party to this Agreement.

Section ~~12.1.~~12.11. Severability of Provisions.

If any provision of this Agreement or the other Loan Documents shall be determined by a court of competent jurisdiction to be invalid or unenforceable, that provision shall be deemed severed from the Loan Documents, and the validity, legality and enforceability of the remaining provisions shall remain in full force as though the invalid, illegal, or unenforceable provision had never been part of the Loan Documents.

Section ~~12.1.~~12.12. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

Section ~~12.1~~12.13. Counterparts.

To facilitate execution, this Agreement and any amendments, waivers, consents or supplements may be executed in any number of counterparts as may be convenient or required (which may be effectively delivered by facsimile, in portable document format (“PDF”) or other similar electronic means). It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto.

Section ~~12.1~~12.14. Obligations with Respect to Loan Parties.

The obligations of the Borrower to direct or prohibit the taking of certain actions by the other Loan Parties as specified herein shall be absolute and not subject to any defense the Borrower may have that the Borrower does not control such Loan Parties.

Section ~~12.1~~12.15. Independence of Covenants.

All covenants hereunder shall be given in any jurisdiction independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

Section ~~12.1~~12.16. Limitation of Liability.

None of the Administrative Agent, any Issuing Bank or any Lender, or any of their respective Related Parties shall have any liability with respect to, and the Borrower hereby waives, releases, and agrees not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages suffered or incurred by the Borrower in connection with, arising out of, or in any way related to, this Agreement, any of the other Loan Documents or the Fee Letter, or any of the transactions contemplated by this Agreement or any of the other Loan Documents. The Borrower hereby waives, releases, and agrees not to sue the Administrative Agent, any Issuing Bank or any Lender or any of the Administrative Agent’s, any Issuing Bank’s or any Lender’s Affiliates, officers, directors, employees, attorneys, or agents for punitive damages in respect of any claim in connection with, arising out of, or in any way related to, this Agreement, any of the other Loan Documents, the Fee Letter, or any of the transactions contemplated by this Agreement or financed hereby.

Section ~~12.1~~12.17. Entire Agreement.

This Agreement, the Notes, the other Loan Documents and the Fee Letter embody the final, entire agreement among the parties hereto and supersede any and all prior commitments, agreements, representations, and understandings, whether written or oral, relating to the subject matter hereof and thereof and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of the parties hereto. To the extent any term of this Agreement is inconsistent with a term of any other Loan Document to which the parties of this Agreement are party, the term of this Agreement shall control to the extent of such inconsistency. There are no oral agreements among the parties hereto.

Section ~~12.1~~12.18. Construction.

The Administrative Agent, each Issuing Bank, the Borrower and each Lender acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement and the other Loan Documents with its legal counsel and that this Agreement and the other Loan Documents shall be construed as if jointly drafted by the Administrative Agent, each Issuing Bank, the Borrower and each Lender.

Section ~~12.1~~12.19. Headings.

The paragraph and section headings in this Agreement are provided for convenience of reference only and shall not affect its construction or interpretation.

Section ~~12.1~~12.20. LIABILITY OF TRUSTEES, ETC.

THE PARTIES HERETO ACKNOWLEDGE AND AGREE AS FOLLOWS:

THE AMENDED AND RESTATED DECLARATION OF TRUST ESTABLISHING THE BORROWER, DATED AUGUST 21, 1995, AS AMENDED AND SUPPLEMENTED, AS FILED WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND, PROVIDES THAT NO TRUSTEE, OFFICER, SHAREHOLDER, EMPLOYEE OR AGENT OF THE BORROWER SHALL BE HELD TO ANY PERSONAL LIABILITY, JOINTLY OR SEVERALLY, FOR ANY OBLIGATION OF, OR CLAIM AGAINST, THE BORROWER. ALL PERSONS DEALING WITH THE BORROWER, IN ANY WAY, SHALL LOOK ONLY TO THE ASSETS OF THE BORROWER FOR THE PAYMENT OF ANY SUM OR THE PERFORMANCE OF ANY OBLIGATION. **THE PROVISIONS OF THIS SECTION SHALL NOT LIMIT ANY OBLIGATIONS OF ANY LOAN PARTY OTHER THAN THE BORROWER.**

Section ~~12.1~~12.21. Acknowledgement and Consent to Bail-In of ~~EEA~~Affected Financial Institutions.

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any ~~EEA~~Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion powers of an ~~EEA~~the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by ~~an EEA~~the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an ~~EEA~~Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such ~~EEA~~Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of ~~any EEA~~the applicable Resolution Authority.

Section ~~12.1~~12.22. No Novation.

(a) Existing Credit Agreement. Upon satisfaction of the conditions precedent set forth in Sections 5.1. and 5.2. of this Agreement, this Agreement and the other Loan Documents shall exclusively control and govern the mutual rights and obligations of the parties hereto with respect to the Existing Credit Agreement, and the Existing Credit Agreement shall be superseded in all respects, in each case, on a prospective basis only.

(b) NO NOVATION. THE PARTIES HERETO HAVE ENTERED INTO THIS AGREEMENT SOLELY TO AMEND AND RESTATE THE TERMS OF, AND THE OBLIGATIONS OWING UNDER, THE EXISTING CREDIT AGREEMENT. THE PARTIES DO NOT INTEND THIS AGREEMENT OR THE TRANSACTIONS

CONTEMPLATED HEREBY TO BE, AND THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING BY THE BORROWER UNDER OR IN CONNECTION WITH THE EXISTING CREDIT AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS (AS DEFINED IN THE EXISTING CREDIT AGREEMENT).

Section ~~12.22~~ 12.23. Acknowledgement Regarding Any Supported QFCs.~~22-NTD: FIRST AMENDMENT ERRANTLY ADDED A SECOND SECTION 12.22, THIS SECTION SHOULD BE CHANGED TO SECTION 12.23 AND ORIGINAL SECTION 12.22 REAFFIRMED.~~

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for a Derivatives Contract or any other agreement or instrument that is a QFC (such support, “QFC Credit Support” and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

[Signatures on Following Pages]

{S2587885; 2}

{S2587885; 2}

SCHEDULE 1.1(d)

List of Sonesta Hotels

1.	Sonesta Hilton Head 130 Shipyard Drive Hilton Head, SC
2.	Royal Sonesta Cambridge 40 Edwin H. Land Boulevard Cambridge, MA 02142

3.	Royal Sonesta Harbor Court Baltimore 550 Light Street Baltimore, MD
4.	Sonesta Hotel Philadelphia 1800 Market Street Philadelphia, PA
5.	Royal Sonesta Houston Hotel 2222 West Loop South Houston, TX
6.	Royal Sonesta New Orleans 300 Bourbon Street New Orleans, LA
7.	Sonesta Fort Lauderdale 999 North Fort Lauderdale Beach Boulevard Fort Lauderdale, FL
8.	Sonesta Silicon Valley 1820 Barber Lane Milpitas, CA
9.	Royal Sonesta Chase Park Plaza 212-232 Kingshighway Boulevard St. Louis, MO
10.	The Clift Royal Sonesta Hotel 495 Geary Street San Francisco, CA
11.	The Sonesta Irvine 17941 Von Karman Avenue Irvine, CA

12.	The Royal Sonesta Chicago 71 East Wacker Drive Chicago, IL
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13.	Sonesta Suites Scottsdale 7300 East Gainey Suites Drive Scottsdale, AZ
14.	Sonesta ES Suites Orlando 8480 International Drive Orlando, FL
15.	Sonesta Gwinnett Place 1775 Pleasant Hill Road Duluth, GA
16.	Sonesta ES Suites Atlanta 760 Mt. Vernon Highway N.E. Atlanta, GA
17.	Sonesta ES Suites Burlington 11 Old Concord Road Burlington, MA
18.	Sonesta ES Suites Andover 4 Technology Drive Andover, MA
19.	Sonesta ES Suites Parsippany 61 Interpace Parkway Parsippany, NJ
20.	Sonesta ES Suites Somerset 260 Davidson Avenue Somerset, NJ
21.	Sonesta ES Suites Princeton 4375 U.S. Route 1 South Princeton, NJ
22.	Sonesta ES Suites Malvern 20 Morehall Road Malvern, PA

23.	Sonesta ES Suites Dublin 435 Metro Place South Dublin, OH
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24.	Sonesta ES Suites Flagstaff 3440 Country Club Drive Flagstaff, AZ
25.	Sonesta ES Suites Houston 5190 Hidalgo Street Houston, TX
26.	Sonesta ES Suites Columbia 8844 Columbia 100 Parkway Columbia, MD
27.	Sonesta ES Suites Charlotte 7925 Forest Pine Drive Charlotte, NC
28.	Sonesta ES Suites St. Louis 1855 Craigshire Road St. Louis, MO
29.	Sonesta ES Suites Tucson 6477 East Speedway Boulevard Tucson, AZ
30.	Sonesta ES Suites Colorado Springs 3880 North Academy Boulevard Colorado Springs, CO
31.	Sonesta ES Suites Minneapolis 3040 Eagandale Place Eagan, MN
32.	Sonesta ES Suites Omaha 6990 Dodge Street Omaha, NE
33.	Sonesta ES Suites Princeton 4225 US Highway 1 South Brunswick - Princeton, NJ

34.	Sonesta ES Suites Somers Point 900 Mays Landing Road Somers Point, NJ
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35.	Sonesta ES Suites Cincinnati 2670 Kemper Road Sharonville, OH
36.	Sonesta ES Suites Oklahoma City 4361 West Reno Avenue Oklahoma City, OK
37.	Sonesta ES Suites Burlington 35 Hurricane Lane Williston, VT
38.	Sonesta ES Suites Cleveland Airport 17525 Rosbough Drive Middleburg Heights, OH
39.	Sonesta ES Suites Westlake 30100 Clemens Road Westlake, OH
40.	Sonesta ES Suites Birmingham 3 Greenhill Pkwy at U.S. Highway 280 Birmingham, AL
41.	Sonesta ES Suites Montgomery 1200 Hilmar Court Montgomery, AL
42.	Sonesta ES Suites Wilmington - Newark 240 Chapman Road Newark, DE
43.	Sonesta ES Suites Jacksonville 8365 Dix Ellis Trail Jacksonville, FL
	Sonesta ES Suites Ann Arbor 800 Victors Way

45.	Sonesta ES Suites St. Louis - Chesterfield 15431 Conway Road Chesterfield, MO
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EXHIBIT B

Form of Pledge Agreement

[To be attached]

{S2587885; 2} 18

EXECUTION VERSION

{S2587885; 2}

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT, dated as of May 8, 2020 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Pledge Agreement”), is entered into by and among Service Properties Trust, a real estate investment trust formed under the laws of the State of Maryland (the “Borrower”), the direct and indirect Subsidiaries of the Borrower listed on the signature pages hereof (together with the Borrower, each, a “Pledgor” and collectively, the “Pledgors”, which terms shall include any Person that becomes a Pledgor pursuant to Section 32 hereof), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent (in such capacity, the “Administrative Agent”) for the benefit of the Lenders (as defined below).

RECITALS:

WHEREAS, the Borrower, the financial institutions from time to time party thereto as lenders (collectively, the “Lenders”), and the Administrative Agent have entered into that certain Second Amended and Restated Credit Agreement, dated as of May 10, 2018 (as amended by that certain First Amendment to Second Amended and Restated Credit Agreement, dated as of September 17, 2019, and by that certain Second Amendment to Second Amended and Restated Credit Agreement, dated as of the date hereof (the “Second Amendment”), and as further amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), pursuant to which the Lenders have agreed to make available to the Borrower certain financial accommodations on the terms and conditions contained in the Credit Agreement;

WHEREAS, the Borrower and each of the other Pledgors, though separate legal entities, are mutually dependent on each other in the conduct of their respective businesses as an integrated operation and have determined it to be in their mutual best interests to obtain financing from the Lenders through their collective efforts;

WHEREAS, each Pledgor acknowledges that it will receive direct and indirect benefits from the Lenders making such financial accommodations available to the Borrower under the Credit Agreement and from the modifications thereto contemplated by the Second Amendment; and

WHEREAS, it is a condition precedent to the continued extension of such financial accommodations under the Credit Agreement and to the effectiveness of the Second Amendment that the Pledgors execute and deliver this Pledge Agreement, among other things, to grant to the Administrative Agent

for benefit of the Lenders a security interest in the Pledged Collateral (as defined below) as security for the Obligations.

NOW, THEREFORE, for and in consideration of the foregoing and of any financial accommodations or extensions of credit (including, without limitation, any loan or advance by renewal, refinancing or extension of the agreements described hereinabove or otherwise) heretofore, now or hereafter made to or for the benefit of any Pledgor pursuant to any Loan Document, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Pledgors and the Administrative Agent hereby agree as follows:

section 1.

Definitions. Unless otherwise defined herein, terms defined in the Credit Agreement are used herein as therein defined (and, with respect to such terms, the singular shall include the plural and vice versa and any gender shall include any other gender as the context may require). Unless otherwise defined herein or in the Credit Agreement, capitalized terms used herein that are defined in the UCC have the meanings assigned to them in the UCC, including, without limitation “Control” and “Security”. In addition, as used in this Pledge Agreement:

“Pledged Interests” means, with respect to each Pledgor, such Pledgor’s right, title and interest in the Equity Interests of the Pledged Subsidiaries named on Schedule I attached hereto (and/or on any Schedule I attached to any applicable Pledge Supplement or Pledge Amendment), including, without limitation, all economic interest and rights to vote or otherwise manage or control such Pledged Subsidiaries and all rights as a partner, shareholder, member or trustee thereof, whether now owned or hereafter acquired.

“Pledged Subsidiary” means a Person that has issued any Equity Interest that constitutes any part of the Pledged Collateral.

“UCC” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York, as amended or supplemented from time to time; provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the Administrative Agent’s security interest in any Pledged Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions. Any and all terms used in this Pledge Agreement which are defined in the UCC shall be construed and defined in accordance with the meaning and definition ascribed to such terms under the UCC, unless otherwise defined herein.

section 2.

Pledge. Each Pledgor hereby pledges and collaterally assigns to the Administrative Agent, for the benefit of the Lenders, and grants to the Administrative Agent, for the benefit of the Lenders, a continuing security interest in, and a right to set off against, any and all right, title and interest of such Pledgor in and to the collateral described in subsections (a) through (h) below (collectively, the “Pledged Collateral”):

- (a) The Pledged Interests;
- (b) All distributions, cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof to which such Pledgor shall at any time be entitled in respect of the Pledged Interests;
- (c) All payments due or to become due to such Pledgor in respect of any of the foregoing;
- (d) All of such Pledgor’s claims, rights, powers, privileges, authority, puts, calls, options, security interests, liens and remedies, if any, in respect of any of the foregoing;
- (e) All of such Pledgor’s rights to exercise and enforce any and every right, power, remedy, authority, option and privilege of such Pledgor relating to any of the foregoing including, without

limitation, any power to (i) terminate, cancel or modify any agreement in respect of the foregoing, (ii) execute any instruments and to take any and all other action on behalf of and in the name of such Pledgor in respect of any of the foregoing and the applicable issuer thereof, (iii) exercise voting rights or make determinations, (iv) exercise any election (including, but not limited to, election of remedies), (v) exercise any "put", right of first offer or first refusal, or other option, (vi) exercise any right of redemption or repurchase, (vii) give or receive any notice, consent, amendment, waiver or approval, (viii) demand, receive, enforce, collect or receipt for any of the foregoing, (ix) enforce or execute any checks, or other instruments or orders, (x) file any claims and to take any action in connection with any of the foregoing; or (xi) otherwise act as of such Pledgor were the absolute owner of such Pledged Interests and all rights associated therewith;

(f) All certificates and instruments representing or evidencing any of the foregoing;

(g) All other rights, titles, interests, powers, privileges and preferences pertaining to any of the foregoing; and

(h) All proceeds and products of the foregoing, however and whenever acquired and in whatever form.

section 3. Security for Obligations. The security interest created hereby in the Pledged Collateral secures the prompt payment, performance and observance of the Obligations.

section 4. Delivery of Pledged Collateral; Financing Statements.

(a) Each Pledgor shall deliver to the Administrative Agent (i) within 10 Business Days following the execution and delivery of this Pledge Agreement (or such later date as may be agreed to by the Administrative Agent in its sole discretion), all certificates representing the Pledged Interests held by or on behalf of such Pledgor, together with a supplement to Schedule I setting forth the certificate number of each such certificate, and (ii) promptly upon the receipt thereof by or on behalf of such Pledgor, any other certificates and instruments constituting Pledged Collateral. Prior to delivery to the Administrative Agent, all such certificates and instruments, if any, constituting Pledged Collateral shall be held in trust by such Pledgor for the benefit of the Administrative Agent pursuant hereto. Each such certificate shall be delivered in suitable form for transfer by delivery or shall be accompanied by a duly executed instrument of transfer or assignment in blank, substantially in the form provided in Exhibit C attached hereto (a "Transfer Power").

(b) Each Pledgor hereby irrevocably authorizes the Administrative Agent at any time and from time to time to file in any filing office in any UCC jurisdiction that the Administrative Agent may reasonably deem necessary to perfect the security interest granted hereby, any financing statements or amendments thereto that (a) describe the Pledged Collateral and (b) contain any other information required by Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment.

section 5.

Subsequent Changes Affecting Pledged Collateral. Each Pledgor represents and warrants that it has made its own arrangements for keeping itself informed of changes or potential changes affecting the Pledged Collateral (including, but not limited to, rights to convert, rights to subscribe, payment of dividends, cash distributions or other distributions, reorganizations or other exchanges, tender offers and voting rights), and each Pledgor agrees that neither the Administrative Agent nor any of the Lenders shall have any obligation to inform the Pledgors of any such changes or potential changes or to take any action or omit to take any action with respect thereto. The Administrative Agent may, after the occurrence and during the continuance of an Event of Default, without notice and at its option, transfer or register the Pledged Collateral or any part thereof into its or its nominee's name with or without any indication that such Pledged Collateral is subject to the security interest hereunder. In addition, the Administrative Agent may, after the occurrence and during the continuance of an Event of Default, exchange certificates or instruments representing or evidencing Pledged Interests for certificates or instruments of smaller or larger denominations.

section 6.

Representations and Warranties. Each Pledgor represents and warrants as follows:

(a) Title and Liens. Such Pledgor is, and will at all times continue to be, the sole legal and beneficial owner of the Pledged Collateral of such Pledgor, free and clear of any Lien (other than Permitted Liens of the types described in clauses (a) through (c) and (e) through (j) of the definition thereof) or Negative Pledge.

(b) Interests in Partnerships and LLCs. None of the Pledged Collateral consisting of an interest in a partnership or in a limited liability company (i) is dealt in or traded on a securities exchange or in securities markets, (ii) is an investment company security, or (iii) is held in a Securities Account. Effective at all times from and after the date that is 10 Business days following the date hereof, all of the Pledged Collateral consisting of an interest in a partnership or a limited liability company shall by its terms expressly provide that it is a security governed by Article 8 of the UCC and such security shall be evidenced by a certificate.

(c) Authorization. Such Pledgor has the right, power and authority, and has taken all necessary action to authorize it, to execute, deliver and perform this Pledge Agreement in accordance with its terms. The execution, delivery and performance of this Pledge Agreement in accordance with its terms, including the granting of the security interest hereunder, do not and will not, by the passage of time, the giving of notice, or both: (i) require any governmental approval or violate any applicable law relating to such Pledgor, (ii) conflict with, result in a breach of or constitute a default under the organizational documents of such Pledgor, or any indenture, agreement or other instrument to which such Pledgor is a party or by which it or any of the Pledged Collateral of such Pledgor or its other property may be bound, or (iii) except for any Lien created hereunder, result in or require the creation or imposition of any Lien upon or with respect to any of the Pledged Collateral of such Pledgor or such Pledgor's other property whether now owned or hereafter acquired. Neither such Pledgor nor any Subsidiary thereof is an Affected Financial Institution.

(d) Name, Organization, Etc. Such Pledgor's exact legal name, type of legal entity, jurisdiction of formation, organizational identification number and location of its chief executive office are, as of the date hereof, as set forth on Schedule II. Except as set forth on such Schedule II, within the 5 years prior to the date hereof, such Pledgor has not changed its name or merged with or otherwise combined its business with any other Person. Such Pledgor (i) is a corporation, limited liability company or other legal entity, duly organized or formed, validly existing and in good standing under the jurisdiction of its formation as set forth on Schedule II, (ii) is duly organized and validly existing solely under the laws of such jurisdiction of formation, (iii) has the power and authority to own, lease and operate its Properties and to carry on its business as now being and hereafter proposed to be conducted and is duly qualified and is in good standing as a domestic or foreign corporation, limited liability company or other legal entity, and authorized to do business, in each jurisdiction in which the character of its Properties or the nature of its business requires such qualification or

authorization, except where the failure to be so qualified or authorized could not reasonably be expected to have, in each instance, a Material Adverse Effect.

(e) Pledged Collateral. The information set forth on Schedule I with respect to the Pledged Collateral of such Pledgor is true and correct. Such Pledgor is the sole owner of each of its Pledged Subsidiaries, and the Pledged Interests of such Pledgor represent 100% of each class of the issued and outstanding capital stock, membership interests or partnership interests, as applicable, of each of its Pledged Subsidiaries.

(f) Validity and Perfection of Security Interest. This Pledge Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a legal, valid and enforceable security interest in the Pledged Collateral. Such security interest will be perfected (i) with respect to any such Pledged Collateral that is a Security and is evidenced by a certificate, when such Pledged Collateral is delivered to the Administrative Agent with duly executed Transfer Powers with respect thereto or when UCC financing statements in appropriate form are filed in the appropriate filing offices in the jurisdiction of organization of the Pledgors, (ii) with respect to any such Pledged Collateral that is a Security but is not evidenced by a certificate, when UCC financing statements in appropriate form are filed in the appropriate filing offices in the jurisdiction of organization of the Pledgors or when control is established by the Administrative Agent over such interests in accordance with the provision of Section 8-106 of the UCC, or any successor provision, and (iii) with respect to any such Pledged Collateral that is not a Security, when UCC financing statements in appropriate form are filed in the appropriate filing offices in the jurisdiction of organization of the Pledgors. Except as set forth in this subsection, no action is necessary to perfect the security interest granted by any Pledgor under this Pledge Agreement.

(g) No Other Interests. No financing statement naming any Pledgor as debtor and describing or purporting to cover all or any portion of the Pledged Collateral, which has not lapsed or been terminated, has been filed in any jurisdiction except for financing statements naming the Administrative Agent as secured party. No Pledgor has (i) registered the Pledged Collateral in the name of any other Person, (ii) consented to any agreement by any of the Pledged Subsidiaries in which any such Pledged Subsidiary agrees to act on the instructions of any other Person, (iii) delivered the Pledged Collateral to any other Person, or (iv) otherwise granted Control of the Pledged Collateral to any other Person.

(h) Authorization of Equity Interest. All Equity Interests which constitute Pledged Collateral are duly authorized, validly issued, and if applicable, fully paid and nonassessable and are not subject to preemptive rights of any Person.

(i) Pledgor's Authority. No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the pledge of the Pledged Collateral pursuant to this Pledge Agreement or for the execution, delivery or performance of this Pledge Agreement by the Pledgors (except for the filing of financing statements contemplated pursuant to Section 4(b) hereof) or (ii) for the exercise by the Administrative Agent of the voting or other rights provided for in this Pledge Agreement or the remedies in respect of the Pledged Collateral pursuant to this Pledge Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally). There are no restrictions upon the voting rights associated with, or upon the transfer of, any of the Pledged Collateral.

(j) Transfer Powers. Any Transfer Powers delivered in connection with this Pledge Agreement are duly executed and give the Administrative Agent the authority they purport to confer.

(k) Obligations to Pledged Subsidiaries. No Pledgor has any obligation to make further capital contributions or make any other payments to the Pledged Subsidiaries with respect to its interest therein.

Covenants.

(a) Change of Name, Etc. Except to the extent expressly permitted by the terms of the Loan Documents, each Pledgor agrees that it will (i) not change its name or its current legal structure, and will not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets, (ii) maintain its due organization and good standing in its jurisdiction of organization, (iii) not change its jurisdiction of organization, and (iv) not change its principal place of business or chief executive office (if it has more than one place of business), in each case, unless such Pledgor shall have given the Administrative Agent not less than 30-days' prior written notice of such event or occurrence and the Administrative Agent shall have either (x) determined that such event or occurrence will not adversely affect the validity, perfection or priority of the Administrative Agent's security interest in the Pledged Collateral, or (y) taken such steps (with the cooperation of the Pledgors to the extent necessary or advisable) as are necessary or advisable to properly maintain the validity, perfection and priority of the Administrative Agent's security interest in such Pledged Collateral.

(b) No Liens; No Transfer of Pledged Collateral. No Pledgor will (i) except as otherwise permitted by the Loan Documents, sell or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral without the prior written consent of the Administrative Agent, (ii) create or permit to exist any Lien or Negative Pledge upon or with respect to any of the Pledged Collateral (other than Permitted Liens of the types described in clauses (a) through (c) and (e) through (j) of the definition thereof), (iii) register the Pledged Collateral in the name of any Person other than the Administrative Agent, (iv) consent to any agreement between any Pledged Subsidiary and any Person (other than the Administrative Agent) in which such Pledged Subsidiary agrees to act on the instructions of any such Person, (v) deliver any Pledged Collateral or any related Transfer Power or endorsement to any Person other than the Administrative Agent (or a designee thereof) or (vi) otherwise grant Control of any Pledged Collateral to any Person other than the Administrative Agent.

(c) Further Assurances. Each Pledgor will, at its expense, promptly execute, authorize, acknowledge and deliver all such instruments, certificates and other documents, and take all such additional actions, as the Administrative Agent from time to time may reasonably request in order to preserve and perfect the first priority security interest in the Pledged Collateral intended to be created by this Pledge Agreement, including, without limitation, (i) the authorization and filing of any necessary UCC financing statements, (ii) the delivery to the Administrative Agent of any certificates that may from time to time evidence the Pledged Collateral, (iii) the execution in blank and delivery of any necessary Transfer Powers or other endorsements, (iv) taking such action as necessary or desirable to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder in respect of the Pledged Collateral, and (iv) taking such action as required in the jurisdiction of organization of the applicable Pledgor or Pledged Subsidiary in order to ensure the enforceability and recognition of such first priority security interest in such jurisdiction.

(d) Defense of Title. Each Pledgor will defend, at its own cost and expense, its title to and ownership of the Pledged Collateral and the security interests of the Administrative Agent in the Pledged Collateral against the claim and demands of any other Person and will maintain and preserve the security interest in the Pledged Collateral created hereby.

(e) Pledged Subsidiaries. Except as otherwise permitted by the terms of the Loan Documents, no Pledgor shall (i) permit any Pledged Subsidiary to amend or modify its articles or certificate of incorporation, articles of organization, certificate of limited partnership, by-laws, operating agreement, partnership agreement or other comparable organizational instrument in a manner which would adversely affect the voting, liquidation, preference or other similar rights of any holder of the Equity Interests pledged hereunder or impair the security interest granted or purported to be granted herein, (ii) permit any Pledged Subsidiary to dissolve, liquidate, retire any of its capital stock or other instruments or securities evidencing ownership, reduce its capital or merge or

consolidate with any other entity, or (iii) vote any of its Equity Interests or other investment property in favor of any of the foregoing.

(f) Additional Shares. No Pledgor shall permit any Pledged Subsidiary to issue any additional Equity Interests unless such Equity Interests are pledged hereunder as and when required pursuant to the following clause (g).

(g) Pledge Amendment. Each Pledgor will, upon obtaining ownership of any additional Pledged Collateral, promptly (and in any event within five (5) Business Days) deliver to the Administrative Agent a Pledge Amendment, duly executed by such Pledgor and, if applicable, acknowledged by each additional Pledged Subsidiary in connection therewith, in substantially the form of Exhibit B hereto (a "Pledge Amendment"), in respect of any such additional Pledged Collateral, pursuant to which such Pledgor shall confirm its grant of a security interest in such additional Pledged Collateral to the Administrative Agent pursuant to Section 2 hereof, such grant being deemed effective as of the date hereof, regardless of whether such Pledge Amendment is ever executed pursuant to this paragraph. Each Pledgor hereby authorizes the Administrative Agent to attach each Pledge Amendment to this Pledge Agreement and to unilaterally amend Schedule I hereto to include such additional Pledged Collateral as disclosed by such Pledgor in such Pledge Amendment, and agrees that all Pledged Collateral listed on any Pledge Amendment delivered to the Administrative Agent, or amended Schedule I, shall for all purposes hereunder be considered Pledged Collateral (it being understood and agreed that the failure by any Pledgor to prepare or execute any such Pledge Amendment shall not prevent the creation or attachment of the Administrative Agent's lien and security interest in any such property, which creation and attachment shall automatically, and be deemed to, occur pursuant to Section 2 hereof).

(h) Control Acknowledgment. Each Pledgor shall execute and deliver to each Pledged Subsidiary a control acknowledgment ("Control Acknowledgment") substantially in the form of Exhibit D hereto and shall cause each such Pledged Subsidiary to acknowledge in writing its receipt and acceptance thereof.

(i) Investment Property. Effective from and after the date that is 10 Business Days following the date hereof, each Pledgor shall, and shall cause each Pledged Subsidiary thereof that is a limited liability company or a partnership, to elect that the Pledged Interests be securities governed by Article 8 of the UCC and to evidence such securities by a certificate, in each such case, in a manner acceptable to the Administrative Agent.

(j) Delivery of Additional Certificates, Etc. If a Pledgor shall receive any certificate (including, without limitation, any certificate representing a stock and/or liquidating dividends, other distributions in property, return of capital or other distributions made on or in respect of the Pledged Collateral, whether resulting from a subdivision, combination or reclassification of outstanding Equity Interests or received in exchange for Pledged Collateral or any part thereof or as a result of any merger, consolidation, acquisition or other exchange of assets or on the liquidation, whether voluntary or involuntary, or otherwise), instrument, option or rights in respect of any Pledged Collateral, whether in addition to, in substitution of, as a conversion of, or in exchange for, any Pledged Collateral, or otherwise in respect thereof, such Pledgor shall hold the same in trust for the Administrative Agent and promptly deliver the same to the Administrative Agent in the exact form received, duly indorsed by such Pledgor to the Administrative Agent, if required, together with an undated Transfer Power covering such certificate (or other appropriate instrument of transfer) duly executed in blank by such Pledgor and with, if the Administrative Agent so requests, signature guaranteed, to be held by the Administrative Agent, subject to the terms of this Pledge Agreement, as Pledged Collateral.

section 8.

Voting Rights.

(a) During the term of this Pledge Agreement, so long as no Event of Default has occurred and is continuing, each Pledgor shall have (i) the right to vote the Pledged Interests on all governing questions in a manner not inconsistent with the terms of this Pledge Agreement or any Loan Documents

and (ii) the right to be a member or a partner of all the Pledged Subsidiaries which are limited liability companies or partnerships, respectively.

(b) Upon the occurrence and during the continuance of an Event of Default, all rights of a Pledgor to exercise the voting and/or consensual rights and powers which a Pledgor is entitled to exercise pursuant to subsection (a) above shall cease, and all such rights thereupon shall become immediately vested in the Administrative Agent, which shall have the sole and exclusive right and authority to (i) exercise such voting and/or consensual rights and powers which any Pledgor shall otherwise be entitled to exercise pursuant to subsection (a) above, and (ii) become a member or partner of each and all of the Pledged Subsidiaries which are limited liability companies or partnerships, respectively, and as such (x) exercise, or direct the applicable Pledgor as to the exercise of all voting, consent, managerial, election and other membership rights to the applicable Pledged Collateral and (y) exercise, or direct any Pledgor as to the exercise of any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to the applicable Pledged Collateral, as if the Administrative Agent were the absolute owner thereof, all without liability except to account for property actually received by it; provided, that the Administrative Agent shall have no duty to exercise any of the aforesaid rights, privileges or options and shall not be responsible for any failure so to do or delay in so doing. Such authorization shall constitute an irrevocable voting proxy from such Pledgor to the Administrative Agent or, at the Administrative Agent's option, to the Administrative Agent's nominee.

section 9.

Dividends and Other Distributions.

(a) So long as no Event of Default has occurred and is continuing:

(i) Each Pledgor shall be entitled to receive and retain any and all dividends, cash distributions and interest paid in respect of the Pledged Collateral to the extent such distributions are not prohibited by the Loan Documents, provided, however, that any and all (A) distributions, dividends and interest paid or payable other than in cash with respect to, and instruments and other property received, receivable or otherwise distributed with respect to, or in exchange for, any of the Pledged Collateral, (B) dividends and other distributions paid or payable in cash with respect to any of the Pledged Collateral on account of a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in surplus, and (C) cash paid, payable or otherwise distributed with respect to principal of, or in redemption of, or in exchange for, any of the Pledged Collateral, shall be Pledged Collateral, and shall be forthwith delivered to the Administrative Agent to hold, for the benefit of the Administrative Agent and the Lenders, as Pledged Collateral and shall, if received by a Pledgor, be received in trust for the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, be segregated from the other property or funds of such Pledgor, and be delivered immediately to the Administrative Agent as Pledged Collateral in the same form as so received (with any necessary endorsement); and

(ii) The Administrative Agent shall execute and deliver (or cause to be executed and delivered) to each Pledgor all such proxies and other instruments as such Pledgor may reasonably request for the purpose of enabling such Pledgor to receive the dividends or interest payments which it is authorized to receive and retain pursuant to clause (i) above.

(b) Upon the occurrence and during the continuance of an Event of Default:

(i) All rights of the Pledgors to receive the dividends, distributions and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 9(a)(i) hereof shall cease, and all such rights shall thereupon become vested in the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, which shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends, distributions and interest payments; and

(ii) All dividends, distributions and interest payments which are received by any Pledgor contrary to the provisions of clause (i) of this Section 9(b) shall be received in trust for the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, shall be segregated

from other funds of such Pledgor and shall be paid over immediately to the Administrative Agent as Pledged Collateral in the same form as so received (with any necessary endorsements).

section 10.

Remedies.

(a) The Administrative Agent shall have, in addition to any other rights given under this Pledge Agreement or by law, all of the rights and remedies with respect to the Pledged Collateral of a secured party under the UCC or any other Applicable Law. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent (personally or through an agent) is hereby authorized and empowered to transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, to exercise all voting rights with respect thereto, to collect and receive all cash dividends or distributions and other distributions made thereon, and to otherwise act with respect to the Pledged Collateral as though the Administrative Agent were the outright owner thereof (in the case of a limited liability company, the sole member and manager thereof and, in the case of a partnership, a partner thereof), each Pledgor hereby irrevocably constituting and appointing the Administrative Agent as the proxy and attorney in fact of such Pledgor, with full power of substitution to do so; provided, however, that the Administrative Agent shall have no duty to exercise any such right or to preserve the same and shall not be liable for any failure to do so or for any delay in doing so; provided, further, however, that the Administrative Agent agrees to exercise such proxy and powers only so long as an Event of Default shall have occurred and is continuing.

(b) In addition, after the occurrence and during the continuance of an Event of Default, the Administrative Agent shall have such powers of sale and other powers as may be conferred by Applicable Law and regulatory requirements. With respect to the Pledged Collateral or any part thereof which shall then be in or shall thereafter come into the possession or custody of the Administrative Agent or which the Administrative Agent shall otherwise have the ability to transfer under Applicable Law, the Administrative Agent may, in its sole discretion, without notice except as specified below, after the occurrence and during the continuance of an Event of Default, sell or cause the same to be sold at any exchange, broker's board or at public or private sale, in one or more sales or lots, at such price as the Administrative Agent may deem best, for cash or on credit or for future delivery, without assumption of any credit risk, and the purchaser of any or all of the Pledged Collateral so sold shall thereafter own the same, absolutely free from any claim, encumbrance or right of any kind whatsoever. The Administrative Agent and each of the Lenders may, in its own name, or in the name of a designee or nominee, buy the Pledged Collateral at any public sale and, if permitted by applicable law, buy the Pledged Collateral at any private sale.

(c) Unless any of the Pledged Collateral threatens to decline speedily in value or is or becomes of a type sold on a recognized market, the Administrative Agent will give the applicable Pledgor reasonable notice of the time and place of any public sale thereof, or of the time after which any private sale or other intended disposition is to be made. Any sale of the Pledged Collateral conducted in conformity with reasonable commercial practices of Lenders, commercial finance companies, insurance companies or other financial institutions disposing of property similar to the Pledged Collateral shall be deemed to be commercially reasonable. Notwithstanding any provision to the contrary contained herein, each Pledgor agrees that any requirements of reasonable notice shall be met if such notice is received by such Pledgor as provided in Section 27 below at least ten (10) days before the time of the sale or disposition; provided, however, that the Administrative Agent may give any shorter notice that is commercially reasonable under the circumstances. Any other requirement of notice, demand or advertisement for sale is waived, to the extent permitted by law.

(d) In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Collateral may be effected after an Event of Default, each Pledgor agrees that upon the occurrence and during the continuation of an Event of Default, the Administrative Agent may, from time to time, attempt to sell all or any part of the Pledged Collateral

by means of a private placement restricting the bidders and prospective purchasers to those who are qualified and will represent and agree that they are purchasing for investment only and not for distribution. In so doing, the Administrative Agent may solicit offers to buy the Pledged Collateral, or any part of it, from a limited number of investors deemed by the Administrative Agent, in its reasonable judgment, to be financially responsible parties who might be interested in purchasing the Pledged Collateral. If the Administrative Agent solicits such offers from not less than four (4) such investors, then the acceptance by the Administrative Agent of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposing of such Pledged Collateral; provided, however, that this Section does not impose a requirement that the Administrative Agent solicit offers from four (4) or more investors in order for the sale to be commercially reasonable.

(e) The rights and remedies of the Administrative Agent and the Lenders under this Pledge Agreement are cumulative and not exclusive of any rights or remedies which any of them otherwise has. All proceeds of the sale of the Pledged Collateral received by the Administrative Agent hereunder shall be applied by the Administrative Agent to payment of the Obligations pursuant to the terms of the Credit Agreement. Each Pledgor shall remain jointly and severally liable and will pay, on demand, any deficiency remaining in respect of the Obligations.

section 11.

Administrative Agent Appointed Attorney in Fact. Each Pledgor hereby constitutes and appoints the Administrative Agent as the attorney-in-fact of such Pledgor with full power of substitution either in the Administrative Agent's name or in the name of such Pledgor to do any of the following : (a) to perform any obligation of such Pledgor hereunder in such Pledgor's name or otherwise; (b) to ask for, demand, sue for, collect, receive, receipt and give acquittance for any and all moneys due or to become due under and by virtue of any Pledged Collateral; (c) to prepare, execute, file, record or deliver notices, assignments, financing statements, continuation statements, applications for registration or like papers to perfect, preserve or release the Administrative Agent's security interest in the Pledged Collateral; (d) to issue entitlement orders, instructions and other orders to any securities intermediary in connection with any of the Pledged Collateral held by or maintained with such securities intermediary; (e) to verify facts concerning the Pledged Collateral in such Pledgor's name, its own name or a fictitious name; (f) to endorse checks, drafts, orders and other instruments for the payment of money payable to such Pledgor, representing any interest or dividend or other distribution payable in respect of the Pledged Collateral or any part thereof or on account thereof and to give full discharge for the same; (g) to exercise all rights, powers and remedies which such Pledgor would have, but for this Pledge Agreement, with respect to any of the Pledged Collateral; and (h) to carry out the provisions of this Pledge Agreement and to take any action and execute any instrument which the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, and to do all acts and things and execute all documents in the name of such Pledgor or otherwise, deemed by the Administrative Agent as necessary, proper and convenient in connection with the preservation, perfection or enforcement of its rights hereunder; provided, however, that the Administrative Agent shall not take any of the foregoing actions (other than those described in clauses (a) and (c)) unless an Event of Default exists. Nothing herein contained shall be construed as requiring or obligating the Administrative Agent or any other secured party to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or notice, or to take any action with respect to the Pledged Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken by the Administrative Agent or any of the Lenders or omitted to be taken with respect to the Pledged Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of any Pledgor or to any claim or action against the Administrative Agent or any of the Lenders. The power of attorney granted herein is irrevocable and coupled with an interest.

section 12.

Waivers. (i) Each Pledgor waives presentment and demand for payment of any of the Obligations, protest and notice of dishonor or default with respect to any of the Obligations and all other notices to which such Pledgor might otherwise be entitled except as otherwise expressly provided herein or in the applicable Loan Document.

(i) Each Pledgor understands and agrees that its obligations and liabilities under this Pledge Agreement shall remain in full force and effect, notwithstanding foreclosure of any property securing all or any part of the Obligations by trustee sale or any other reason impairing the right of any Pledgor, the Administrative Agent or any of the Lenders to proceed against any Pledged Subsidiary or any Pledged Subsidiary's property. Each Pledgor agrees that all of its obligations under this Pledge Agreement shall remain in full force and effect without defense, offset or counterclaim of any kind, notwithstanding that such Pledgor's rights against any Pledged Subsidiary may be impaired, destroyed or otherwise affected by reason of any action or inaction on the part of the Administrative Agent or any Lender.

(ii) Each Pledgor hereby expressly waives the benefits of any law in any jurisdiction purporting to allow a guarantor or pledgor to revoke a continuing guaranty or pledge with respect to any transactions occurring after the date of the guaranty or pledge.

section 13.

Term. This Pledge Agreement shall remain in full force and effect until the earliest to occur of (i) the Equity Pledge Release Date, (ii) termination of this Pledge Agreement in accordance with Section 7.14(c) of the Credit Agreement and (iii) indefeasible payment in full of the Obligations (other than contingent indemnity obligations) and termination of all commitments to extend credit under the Loan

Documents. Upon termination of this Pledge Agreement in accordance with its terms, the Administrative Agent agrees to take such actions as any Pledgor may reasonably request, and at the sole cost and expense of such Pledgor, to evidence the termination of this Pledge Agreement.

section 14. Releases. The Administrative Agent may, in accordance with Section 7.14 of the Credit Agreement, release any of the Pledged Collateral or any Pledgor from this Pledge Agreement or may substitute any of the Pledged Collateral for other Pledged Collateral without altering, varying or diminishing in any way the force, effect, lien, pledge or security interest of this Pledge Agreement as to any Pledged Collateral or Pledgor not expressly released or substituted.

section 15. Successors and Assigns. This Pledge Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that no Pledgor shall have any right or power to assign this Pledge Agreement or any interest herein or in the Pledged Collateral or any part thereof and any such assignment by a Pledgor shall be null and void ab initio and of no force or effect absent the prior written consent of the Administrative Agent.

section 16. Reimbursement of Administrative Agent. Each Pledgor agrees to pay, within 10 Business Days after receipt of an invoice therefor, to the Administrative Agent the amount of any and all actual costs and expenses, including the fees, disbursements and other charges of its counsel and of any experts or agents that the Administrative Agent may incur in connection with (a) the administration of this Pledge Agreement, (b) the custody or preservation of, or any sale of, collection from, or other realization upon, any of the Pledged Collateral, (c) the exercise or enforcement of any of the rights of the Administrative Agent hereunder, or (d) the failure by any Pledgor to perform or observe any of the provisions hereof or otherwise in respect of the Pledged Collateral.

section 17. Continuing Security Interest. This Pledge Agreement shall create a continuing security interest in the Pledged Collateral and shall remain in full force and effect until it terminates in accordance with its terms.

section 18. Security Interest Absolute. All rights of the Administrative Agent hereunder, the grant of a security interest in the Pledged Collateral and all obligations of each Pledgor hereunder, shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of any Loan Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of the payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any Loan Document, or any other agreement or instrument relating to any of the foregoing, (c) any exchange, release or nonperfection of any other Pledged Collateral, or any release or amendment or waiver of or consent to or departure from any guaranty, for all or any of the Obligations or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Pledgor in respect of the Obligations or in respect of this Pledge Agreement (other than the indefeasible payment in full of all the Obligations).

section 19. GOVERNING LAW. THIS PLEDGE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

section 20. Waiver of Jury Trial; Consent to Jurisdiction; Venue; Service of Process.
(A) EACH OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN OR AMONG ANY OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND WOULD RESULT IN DELAY AND EXPENSE TO THE PARTIES. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST ANY PLEDGOR OR THE ADMINISTRATIVE AGENT ARISING OUT OF THIS PLEDGE AGREEMENT, ANY OTHER

LOAN DOCUMENT OR THE TRANSACTIONS RELATED HERETO OR THERETO OR WITH ANY COLLATERAL OR ANY LIEN OR BY REASON OF ANY OTHER SUIT, CAUSE OF ACTION OR DISPUTE WHATSOEVER BETWEEN OR AMONG ANY OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT OF ANY KIND OR NATURE RELATING TO THIS PLEDGE AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO.

(B) EACH OF THE PLEDGORS IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT OR ANY RELATED PARTY OF THE ADMINISTRATIVE AGENT IN ANY WAY RELATING TO THIS PLEDGE AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT AGREES THAT A FINAL, NON-APPEALABLE JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS PLEDGE AGREEMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS PLEDGE AGREEMENT OR THE COLLATERAL AGAINST ANY PLEDGOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION. EACH OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT FURTHER WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM AND EACH AGREES NOT TO PLEAD OR CLAIM THE SAME. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE ADMINISTRATIVE AGENT OR THE ENFORCEMENT BY THE ADMINISTRATIVE AGENT OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

(C) EACH PLEDGOR HEREBY IRREVOCABLY APPOINTS AND AUTHORIZES THE BORROWER TO ACT AS ITS AGENT FOR SERVICE OF PROCESS AND NOTICES REQUIRED TO BE DELIVERED UNDER THIS PLEDGE AGREEMENT OR UNDER THE OTHER LOAN DOCUMENTS, IT BEING UNDERSTOOD AND AGREED THAT RECEIPT BY THE BORROWER OF ANY SUMMONS, NOTICE OR OTHER SIMILAR ITEM SHALL BE DEEMED EFFECTIVE RECEIPT BY EACH PLEDGOR AND ITS SUBSIDIARIES.

(D) THE PROVISIONS OF THIS SECTION HAVE BEEN CONSIDERED BY EACH OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF ALL AMOUNTS PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS AND THE TERMINATION OF THIS PLEDGE AGREEMENT.

section 21. Marshalling. Neither the Administrative Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Pledgor or any other Person or against or in payment of any or all of the Obligations.

section 22. No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Pledge Agreement. In the event an ambiguity or question of intent or interpretation arises, this Pledge Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Pledge Agreement.

section 23. Severability. Whenever possible, each provision of this Pledge Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but, if any provision of this Pledge Agreement shall be held to be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Pledge Agreement.

section 24. Further Assurances. Each Pledgor agrees that it will cooperate with the Administrative Agent and will execute and deliver, or cause to be executed and delivered, all such other transfer powers, proxies, instruments and documents, and will take all such other actions, including, without limitation, the execution and filing of financing statements (and each Pledgor hereby authorizes the Administrative Agent to file any such financing statements), as the Administrative Agent may reasonably deem necessary from time to time in order to carry out the provisions and purposes of this Pledge Agreement.

section 25. The Administrative Agent's Duty of Care. Other than the exercise of reasonable care to ensure that safe custody of the Pledged Collateral while being held by the Administrative Agent hereunder, the Administrative Agent shall have no duty or liability to preserve rights pertaining thereto, it being understood and agreed that each Pledgor shall responsible for preservation of all rights of such Pledgor in the Pledged Collateral. The Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if such Pledged Collateral is accorded treatment substantially equal to that which the Administrative Agent accords its own property, it being understood that the Administrative Agent shall not have responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Pledged Collateral, whether or not the Administrative Agent has or is deemed to have knowledge of such matters or (b) taking any necessary steps to preserve rights against any parties with respect to any Pledged Collateral. The Administrative Agent shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law including, without limitation, acts, omissions, errors or mistakes with respect to the Pledged Collateral, except for those arising out of or in connection with the Administrative Agent's gross negligence or willful misconduct.

section 26. No Waiver. Neither the failure on the part of the Administrative Agent or any Lender to exercise, nor the delay on the part of the Administrative Agent or any Lender in exercising any right, power or remedy hereunder, nor any course of dealing between the Administrative Agent or any Lender, on the one hand, and any Pledgor, on the other hand, shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy hereunder preclude any other or the further exercise thereof or the exercise of any other right, power or remedy.

section 27. Notices. All notices and other communications provided for hereunder shall be delivered in the manner set forth in Section 12.1 of the Credit Agreement.

section 28. Amendments, Waivers and Consents. No amendment or waiver of any provision of this Pledge Agreement nor consent to any departure by the Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

section 29. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

section 30. Execution in Counterparts. This Pledge Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Pledge Agreement by facsimile, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Pledge Agreement.

section 31. Merger. This Pledge Agreement and the other Loan Documents embody the final and entire agreement and understanding among the Pledgors, the Administrative Agent and the Lenders and supersede all prior agreements and understandings among the Pledgors, the Administrative Agent and the Lenders relating to the subject matter thereof. This Pledge Agreement and the Loan Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties hereto.

section 32. Additional Pledgors. Pursuant to the Credit Agreement, the Borrower may be required to, and/or to cause certain Subsidiaries to, execute and deliver to the Administrative Agent (i) in the case of a Subsidiary that is not a Pledgor at such time, a Pledge Supplement in the form of Exhibit A hereto (each such supplement, a “Pledge Supplement”) and (ii) in the case of the Borrower or a Subsidiary that is a Pledgor at such time, a Pledge Amendment, together with such supporting documentation required pursuant to the Credit Agreement as the Administrative Agent may reasonably request, in order to create a perfected, first priority security interest in the Equity Interests in certain Subsidiaries. The execution and delivery of such instrument shall not require the consent of any Pledgor hereunder. The rights and obligations of each Pledgor hereunder shall remain in full force and effect notwithstanding the addition of any new Pledgor as a party to this Pledge Agreement.

[The remainder of this page is intentionally blank.]{S2587885; 2}

{S2587885; 2}

IN WITNESS WHEREOF, the Pledgors and the Administrative Agent have duly executed and delivered this Pledge Agreement as of the date set forth above.

Service Properties Trust, as a Pledgor

By: _____
Name:
Title:

Banner Newco LLC, as a Pledgor

By: _____
Name:
Title:

Highway ventures borrower LLC, as a Pledgor

By: _____
Name:
Title:

Highway Ventures Properties trust, as a Pledgor

By: _____

Name:

Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: _____

Name:

Title:

SCHEDULE I TO PLEDGE AGREEMENT

PLEDGED SUBSIDIARIES

<u>Pledgor</u>	<u>Pledged Subsidiary</u>	<u>Certificate No.²</u>	<u>No. of Shares / Units Owned</u>	<u>Percentage of Ownership</u>
Highway Ventures Borrower LLC	Highway Ventures Properties Trust		1,000	100%
Service Properties Trust	HPTWN Properties Trust		100	100%
Banner NewCo LLC	SVCN 3 LLC		N/A	100%
Service Properties Trust	HPT Suite Properties Trust		1,000	100%
Banner NewCo LLC	SVCN 4 LLC		N/A	100%
Highway Ventures Properties Trust	Highway Ventures Properties LLC		N/A	100%
Service Properties Trust	Banner NewCo LLC		N/A	100%

(2) To be completed by Pledgors in accordance with Section 4 of the Pledge Agreement.

SCHEDULE II TO PLEDGE AGREEMENT

PLEDGOR INFORMATION

<u>Pledgor</u>	<u>Type of Entity</u>	<u>Jurisdiction</u>	<u>Organizational ID No.</u>	<u>Mailing Address of Chief Executive Office</u>
Service Properties Trust	Real Estate Investment Trust	Maryland	04-3262075	Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458
Banner NewCo LLC	Limited Liability Company	Delaware	84-3069989	Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458
Highway Ventures Borrower LLC	Limited Liability Company	Delaware	84-3373977	Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458
Highway Ventures Properties Trust	Real Estate Investment Trust	Maryland	26-0239999	Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458

EXHIBIT A

to

PLEDGE AGREEMENT

FORM OF PLEDGE SUPPLEMENT

SUPPLEMENT NO. ____ dated as of ____, 20__ to the PLEDGE AGREEMENT dated as of May 8, 2020 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Pledge Agreement”), among Service Properties Trust, a real estate investment trust formed under the laws of the State of Maryland (the “Borrower”), certain subsidiaries of the Borrower from time to time signatories thereto as Pledgors (together with the Borrower, collectively, the “Pledgors”) and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent for the Lenders (in such capacity, the “Administrative Agent”).

Reference is made to the Second Amended and Restated Credit Agreement dated as of May 10, 2018 (as amended by that certain First Amendment to Second Amended and Restated Credit Agreement, dated as of September 17, 2019, and by that certain Second Amendment to Second Amended and Restated Credit Agreement, dated as of the date hereof, and as further amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among the Borrower, the financial institutions from time to time party thereto as lenders (the “Lenders”) and the Administrative Agent. Capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Pledge Agreement or the Credit Agreement, as applicable.

The undersigned Subsidiary of the Borrower (the “New Pledgor”) is executing this Supplement in accordance with the requirements of the Credit Agreement and the Pledge Agreement to become a Pledgor under the Pledge Agreement in consideration for Loans and Letters of Credit previously made to, or issued for the account of, the Borrower.

Accordingly, Administrative Agent and the New Pledgor agree as follows:

SECTION 1. In accordance with Section 32 of the Pledge Agreement, the New Pledgor by its signature below becomes a Pledgor under the Pledge Agreement with the same force and effect as if originally named therein as a Pledgor, and the New Pledgor hereby (a) agrees to all the terms and provisions of the Pledge Agreement applicable to it as a Pledgor thereunder and (b) represents and warrants that the representations and warranties made by it as a Pledgor thereunder are true and correct in all respects on and as of the date hereof. In furtherance of the foregoing, the New Pledgor, as security for the payment and performance in full of the Obligations, does hereby create and grant to Administrative Agent, its successors and assigns, a security interest in and Lien on all of the New Pledgor’s right, title and interest in and to the Pledged Collateral (as defined in the Pledge Agreement) of the New Pledgor. Each reference to a “Pledgor” or the “Pledgors” in the Pledge Agreement shall be deemed to include the New Pledgor. The Pledge Agreement is hereby incorporated herein by reference.

SECTION 2. The New Pledgor represents and warrants to Administrative Agent that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally.

SECTION 3. This Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when Administrative Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Pledgor and Administrative Agent. Delivery of an executed counterpart of a signature page of this Supplement by facsimile, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Supplement.

SECTION 4. The New Pledgor hereby represents and warrants that the information set forth in Schedules I and II attached hereto is true and correct and is hereby added to the information set forth in Schedules I and II to the Pledge Agreement, respectively. The New Pledgor hereby agrees that this Supplement may be attached to the Pledge Agreement and that the Pledged Collateral listed on Schedule I hereto shall be and become part of the Pledged Collateral referred to in the Pledge Agreement and shall secure all Obligations in accordance with the terms of the Pledge Agreement.

SECTION 5. If for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or effect those portions of this Supplement which are valid.

SECTION 6. All communications and notices hereunder shall be in writing and given as provided in the Pledge Agreement. All communications and notices hereunder to the New Pledgor shall be given to it at the address set forth under its signature below.

SECTION 7. The New Pledgor agrees to reimburse Administrative Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for Administrative Agent.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, the New Pledgor and Administrative Agent have duly executed and delivered this Supplement to the Pledge Agreement as of the day and year first above written.

[NEW PLEDGOR]

By:

Name:

Title:

Address:

Attention:

Facsimile: (____) ____ - ____

ACKNOWLEDGED AND AGREED

as of the date first above written:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By:

Name:

Title:

Schedule I to

Supplement No. __

to the Pledge Agreement

PLEDGED SUBSIDIARIES

<u>Pledgor</u>	<u>Pledged Subsidiary</u>	<u>Certificate No.</u>	<u>No. of Shares / Units Owned</u>	<u>Percentage of Ownership</u>
[]	[]	[]	[]	100%

Schedule II to

Supplement No. __

to the Pledge Agreement

NEW PLEDGOR INFORMATION

<u>Pledgor</u>	<u>Type of Entity</u>	<u>Jurisdiction</u>	<u>Organizational ID No.</u>	<u>Mailing Address of Chief Executive Office</u>
[]	[]	[]	[]	[]

EXHIBIT B

to

PLEDGE AGREEMENT

FORM OF PLEDGE AMENDMENT

Reference is hereby made to the Pledge Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Pledge Agreement”) dated as of May 8, 2020, by and among Service Properties Trust, a real estate investment trust formed under the laws of the State of Maryland (the “Borrower”), the undersigned Pledgor and the other Subsidiaries of the Borrower from time to time party thereto as Pledgors, and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (in such capacity, the “Administrative Agent”), whereby the undersigned has pledged certain capital stock, membership interests and partnership interests, as applicable, of certain of its Subsidiaries as collateral to the Administrative Agent, for the ratable benefit of the Lenders, as more fully described in the Pledge Agreement. This Amendment is a “Pledge Amendment” as defined in the Pledge Agreement and is, together with the acknowledgments, certificates, and Transfer Powers delivered herewith, subject in all respects to the terms and provisions of the Pledge Agreement. Capitalized terms used herein and not defined herein shall have the meanings given to them in the Pledge Agreement.

By its execution below, the undersigned hereby agrees that (i) this Amendment may be attached to the Pledge Agreement and that the Pledged Collateral listed on Schedule I hereto shall be and become part of the Pledged Collateral referred to in the Pledge Agreement and shall secure all Obligations in accordance with the terms of the Pledge Agreement and (ii) each [corporation] [limited liability company] [partnership] listed on Schedule I hereto shall be deemed to be a Pledged Subsidiary for all purposes of the Pledge Agreement.

By its execution below, the undersigned represents and warrants that it has full power and authority to execute this Pledge Amendment and that the representations and warranties contained in Section 6 of the Pledge Agreement are true and correct in all respects as of the date hereof and after taking into account the pledge of the additional Pledged Collateral relating hereto. The Pledge Agreement, as amended and modified hereby, remains in full force and effect and is hereby ratified and confirmed.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, the Pledgor has duly executed and delivered this Pledge Amendment to the Pledge Agreement as of this _____ day of _____, _____.

[PLEDGOR]

By:

Name:

Title:

Schedule I

to

Pledge Amendment

PLEDGED SUBSIDIARIES

<u>Pledgor</u>	<u>Pledged Subsidiary</u>	<u>Certificate No.</u>	<u>No. of Shares / Units Owned</u>	<u>Percentage of Ownership</u>
[]	[]	[]	[]	100%

ACKNOWLEDGMENT

TO

PLEDGE AMENDMENT

The undersigned hereby acknowledges receipt of a copy of the foregoing Pledge Amendment together with a copy of the Pledge Agreement, agrees promptly to note on its books the security interests granted under such Pledge Agreement, agrees that after the occurrence and during the continuance of an Event of Default it will comply with instructions originated by the Administrative Agent without further consent by the Pledgor and waives any rights or requirement at any time hereafter to receive a copy of such Pledge Agreement in connection with the registration of any Pledged Collateral in the name of the Administrative Agent or its nominee or the exercise of voting rights by the Administrative Agent or its nominee.

[NAME[S] OF ADDITIONAL PLEDGED SUBSIDIARY[IES]]

By:

Name:

Title:

EXHIBIT C

to

PLEDGE AGREEMENT

FORM OF TRANSFER POWER

FOR VALUE RECEIVED, the undersigned does hereby sell, assign and transfer to _____
[shares] [units] [percent] of the [capital stock] [membership interests] of _____, a _____ [corporation] [limited
liability company] [limited partnership] (the “Company”), represented by Certificate No. _____ (the “[Stock]”), standing in the name of the
undersigned on the books of the Company, and does hereby irrevocably constitute and appoint _____ as the
undersigned’s true and lawful attorney, for it and in its name and stead, to sell, assign and transfer all or any of the [Stock], and for that
purpose to make and execute all necessary acts of assignment and transfer thereof; and to substitute one or more persons with like full power,
hereby ratifying and confirming all that said attorney or substitute or substitutes shall lawfully do by virtue hereof.

Dated:

[PLEDGOR]

By:

Name:

Title:

EXHIBIT D

to

PLEDGE AGREEMENT

Form of CONTROL Acknowledgement

PLEDGED SUBSIDIARY:

[Name of Pledged Subsidiary]

PLEDGOR:

[Name of Pledgor]

Reference is hereby made to that certain Pledge Agreement dated as of May 8, 2020 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Pledge Agreement”), by and among Service Properties Trust, a real estate investment trust formed under the laws of the State of Maryland (the “Borrower”), the undersigned Pledgor and certain other Subsidiaries of the Borrower from time to time party thereto as pledgors, and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (in such capacity, the “Administrative Agent”). Capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Pledge Agreement.

Pledged Subsidiary is hereby instructed by the Pledgor that all of the Pledgor’s right, title and interest in and to all of the Pledgor’s rights in connection with any Equity Interests in Pledged Subsidiary now and hereafter owned by the Pledgor are subject to a pledge and security interest in favor of Administrative Agent. Pledgor hereby instructs the Pledged Subsidiary to act upon any instruction delivered to it by the Administrative Agent with respect to the Pledged Collateral without seeking further instruction from the Pledgor, and, by its execution hereof, the Pledged Subsidiary agrees to do so.

Pledged Subsidiary, by its written acknowledgement and acceptance hereof, hereby (i) acknowledges receipt of a copy of the aforementioned Pledge Agreement and agrees promptly to note on its books the security interest granted under such Pledge Agreement, (ii) waives any rights or requirements at any time hereafter to receive a copy of such Pledge Agreement in connection with the registration of any Pledged Collateral in the name of the Administrative Agent or its nominee or the exercise of voting rights by the Administrative Agent or its nominee, and (iii) acknowledges and agrees that, notwithstanding anything to the contrary in its bylaws, operating agreement, partnership agreement, declaration or other applicable governing or organizational documents, such Pledged Subsidiary will (A) be bound by, and comply with, all terms of the Pledge Agreement applicable to such Pledged Subsidiary, including, without limitation, Sections 7(e), (f) and (i) thereof, (B) notify the Administrative Agent in writing promptly of the occurrence of any of the events described in Section 7(f) of the Pledge Agreement, and (C) not permit any of the Equity Interests issued by it to be dealt in or traded on a securities exchange or in securities markets.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, the Pledgor has caused this Control Acknowledgment to be duly signed and delivered by its officer duly authorized as of this ____ day of ____, 20____.

[PLEDGOR]

By:
Name:
Title:

Acknowledged and accepted this
____ day of _____, 20 ____

[PLEDGED SUBSIDIARY]

By:
Name:
Title:

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT, dated as of May 8, 2020 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Pledge Agreement”), is entered into by and among Service Properties Trust, a real estate investment trust formed under the laws of the State of Maryland (the “Borrower”), the direct and indirect Subsidiaries of the Borrower listed on the signature pages hereof (together with the Borrower, each, a “Pledgor” and collectively, the “Pledgors”, which terms shall include any Person that becomes a Pledgor pursuant to Section 32 hereof), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent (in such capacity, the “Administrative Agent”) for the benefit of the Lenders (as defined below).

RECITALS:

WHEREAS, the Borrower, the financial institutions from time to time party thereto as lenders (collectively, the “Lenders”), and the Administrative Agent have entered into that certain Second Amended and Restated Credit Agreement, dated as of May 10, 2018 (as amended by that certain First Amendment to Second Amended and Restated Credit Agreement, dated as of September 17, 2019, and by that certain Second Amendment to Second Amended and Restated Credit Agreement, dated as of the date hereof (the “Second Amendment”), and as further amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), pursuant to which the Lenders have agreed to make available to the Borrower certain financial accommodations on the terms and conditions contained in the Credit Agreement;

WHEREAS, the Borrower and each of the other Pledgors, though separate legal entities, are mutually dependent on each other in the conduct of their respective businesses as an integrated operation and have determined it to be in their mutual best interests to obtain financing from the Lenders through their collective efforts;

WHEREAS, each Pledgor acknowledges that it will receive direct and indirect benefits from the Lenders making such financial accommodations available to the Borrower under the Credit Agreement and from the modifications thereto contemplated by the Second Amendment; and

WHEREAS, it is a condition precedent to the continued extension of such financial accommodations under the Credit Agreement and to the effectiveness of the Second Amendment that the Pledgors execute and deliver this Pledge Agreement, among other things, to grant to the Administrative Agent for benefit of the Lenders a security interest in the Pledged Collateral (as defined below) as security for the Obligations.

NOW, THEREFORE, for and in consideration of the foregoing and of any financial accommodations or extensions of credit (including, without limitation, any loan or advance by renewal, refinancing or extension of the agreements described hereinabove or otherwise) heretofore, now or hereafter made to or for the benefit of any Pledgor pursuant to any Loan Document, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Pledgors and the Administrative Agent hereby agree as follows:

section 1.

Definitions. Unless otherwise defined herein, terms defined in the Credit Agreement are used herein as therein defined (and, with respect to such terms, the singular shall include the plural and vice versa and any gender shall include any other gender as the context may require). Unless otherwise defined herein or in the Credit Agreement, capitalized terms used herein that are defined in the UCC have the meanings assigned to them in the UCC, including, without limitation “Control” and “Security”. In addition, as used in this Pledge Agreement:

“Pledged Interests” means, with respect to each Pledgor, such Pledgor’s right, title and interest in the Equity Interests of the Pledged Subsidiaries named on Schedule I attached hereto (and/or on any Schedule I attached to any applicable Pledge Supplement or Pledge Amendment), including, without limitation, all economic interest and rights to vote or otherwise manage or control such Pledged Subsidiaries and all rights as a partner, shareholder, member or trustee thereof, whether now owned or hereafter acquired.

“Pledged Subsidiary” means a Person that has issued any Equity Interest that constitutes any part of the Pledged Collateral.

“UCC” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York, as amended or supplemented from time to time; provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the Administrative Agent’s security interest in any Pledged Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions. Any and all terms used in this Pledge Agreement which are defined in the UCC shall be construed and defined in accordance with the meaning and definition ascribed to such terms under the UCC, unless otherwise defined herein.

section 2.

Pledge. Each Pledgor hereby pledges and collaterally assigns to the Administrative Agent, for the benefit of the Lenders, and grants to the Administrative Agent, for the benefit of the Lenders, a continuing security interest in, and a right to set off against, any and all right, title and interest of such Pledgor in and to the collateral described in subsections (a) through (h) below (collectively, the “Pledged Collateral”):

- (a) The Pledged Interests;
- (b) All distributions, cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof to which such Pledgor shall at any time be entitled in respect of the Pledged Interests;
- (c) All payments due or to become due to such Pledgor in respect of any of the foregoing;
- (d) All of such Pledgor’s claims, rights, powers, privileges, authority, puts, calls, options, security interests, liens and remedies, if any, in respect of any of the foregoing;
- (e) All of such Pledgor’s rights to exercise and enforce any and every right, power, remedy, authority, option and privilege of such Pledgor relating to any of the foregoing including, without limitation, any power to (i) terminate, cancel or modify any agreement in respect of the foregoing, (ii) execute any instruments and to take any and all other action on behalf of and in the name of such Pledgor in respect of any of the foregoing and the applicable issuer thereof, (iii) exercise voting rights or make determinations, (iv) exercise any election (including, but not limited to, election of remedies), (v) exercise any “put”, right of first offer or first refusal, or other option, (vi) exercise any right of redemption or repurchase, (vii) give or receive any notice, consent, amendment, waiver or approval, (viii) demand, receive, enforce, collect or receipt for any of the foregoing, (ix) enforce or execute any checks, or other instruments or orders, (x) file any claims and to take any action in connection

with any of the foregoing; or (xi) otherwise act as of such Pledgor were the absolute owner of such Pledged Interests and all rights associated therewith;

(f) All certificates and instruments representing or evidencing any of the foregoing;

(g) All other rights, titles, interests, powers, privileges and preferences pertaining to any of the foregoing; and

(h) All proceeds and products of the foregoing, however and whenever acquired and in whatever form.

section 3. Security for Obligations. The security interest created hereby in the Pledged Collateral secures the prompt payment, performance and observance of the Obligations.

section 4. Delivery of Pledged Collateral; Financing Statements.

(a) Each Pledgor shall deliver to the Administrative Agent (i) within 10 Business Days following the execution and delivery of this Pledge Agreement (or such later date as may be agreed to by the Administrative Agent in its sole discretion), all certificates representing the Pledged Interests held by or on behalf of such Pledgor, together with a supplement to Schedule I setting forth the certificate number of each such certificate, and (ii) promptly upon the receipt thereof by or on behalf of such Pledgor, any other certificates and instruments constituting Pledged Collateral. Prior to delivery to the Administrative Agent, all such certificates and instruments, if any, constituting Pledged Collateral shall be held in trust by such Pledgor for the benefit of the Administrative Agent pursuant hereto. Each such certificate shall be delivered in suitable form for transfer by delivery or shall be accompanied by a duly executed instrument of transfer or assignment in blank, substantially in the form provided in Exhibit C attached hereto (a "Transfer Power").

(b) Each Pledgor hereby irrevocably authorizes the Administrative Agent at any time and from time to time to file in any filing office in any UCC jurisdiction that the Administrative Agent may reasonably deem necessary to perfect the security interest granted hereby, any financing statements or amendments thereto that (a) describe the Pledged Collateral and (b) contain any other information required by Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment.

section 5. Subsequent Changes Affecting Pledged Collateral. Each Pledgor represents and warrants that it has made its own arrangements for keeping itself informed of changes or potential changes affecting the Pledged Collateral (including, but not limited to, rights to convert, rights to subscribe, payment of dividends, cash distributions or other distributions, reorganizations or other exchanges, tender offers and voting rights), and each Pledgor agrees that neither the Administrative Agent nor any of the Lenders shall have any obligation to inform the Pledgors of any such changes or potential changes or to take any action or omit to take any action with respect thereto. The Administrative Agent may, after the occurrence and during the continuance of an Event of Default, without notice and at its option, transfer or register the Pledged Collateral or any part thereof into its or its nominee's name with or without any indication that such Pledged Collateral is subject to the security interest hereunder. In addition, the Administrative Agent may, after the occurrence and during the continuance of an Event of Default, exchange certificates or instruments representing or evidencing Pledged Interests for certificates or instruments of smaller or larger denominations.

section 6. Representations and Warranties. Each Pledgor represents and warrants as follows:

(a) Title and Liens. Such Pledgor is, and will at all times continue to be, the sole legal and beneficial owner of the Pledged Collateral of such Pledgor, free and clear of any Lien (other than Permitted Liens of the types described in clauses (a) through (c) and (e) through (j) of the definition thereof) or Negative Pledge.

(b) Interests in Partnerships and LLCs. None of the Pledged Collateral consisting of an interest in a partnership or in a limited liability company (i) is dealt in or traded on a securities exchange or in securities markets, (ii) is an investment company security, or (iii) is held in a Securities Account. Effective at all times from and after the date that is 10 Business days following the date

hereof, all of the Pledged Collateral consisting of an interest in a partnership or a limited liability company shall by its terms expressly provide that it is a security governed by Article 8 of the UCC and such security shall be evidenced by a certificate.

(c) Authorization. Such Pledgor has the right, power and authority, and has taken all necessary action to authorize it, to execute, deliver and perform this Pledge Agreement in accordance with its terms. The execution, delivery and performance of this Pledge Agreement in accordance with its terms, including the granting of the security interest hereunder, do not and will not, by the passage of time, the giving of notice, or both: (i) require any governmental approval or violate any applicable law relating to such Pledgor, (ii) conflict with, result in a breach of or constitute a default under the organizational documents of such Pledgor, or any indenture, agreement or other instrument to which such Pledgor is a party or by which it or any of the Pledged Collateral of such Pledgor or its other property may be bound, or (iii) except for any Lien created hereunder, result in or require the creation or imposition of any Lien upon or with respect to any of the Pledged Collateral of such Pledgor or such Pledgor's other property whether now owned or hereafter acquired. Neither such Pledgor nor any Subsidiary thereof is an Affected Financial Institution.

(d) Name, Organization, Etc. Such Pledgor's exact legal name, type of legal entity, jurisdiction of formation, organizational identification number and location of its chief executive office are, as of the date hereof, as set forth on Schedule II. Except as set forth on such Schedule II, within the 5 years prior to the date hereof, such Pledgor has not changed its name or merged with or otherwise combined its business with any other Person. Such Pledgor (i) is a corporation, limited liability company or other legal entity, duly organized or formed, validly existing and in good standing under the jurisdiction of its formation as set forth on Schedule II, (ii) is duly organized and validly existing solely under the laws of such jurisdiction of formation, (iii) has the power and authority to own, lease and operate its Properties and to carry on its business as now being and hereafter proposed to be conducted and is duly qualified and is in good standing as a domestic or foreign corporation, limited liability company or other legal entity, and authorized to do business, in each jurisdiction in which the character of its Properties or the nature of its business requires such qualification or authorization, except where the failure to be so qualified or authorized could not reasonably be expected to have, in each instance, a Material Adverse Effect.

(e) Pledged Collateral. The information set forth on Schedule I with respect to the Pledged Collateral of such Pledgor is true and correct. Such Pledgor is the sole owner of each of its Pledged Subsidiaries, and the Pledged Interests of such Pledgor represent 100% of each class of the issued and outstanding capital stock, membership interests or partnership interests, as applicable, of each of its Pledged Subsidiaries.

(f) Validity and Perfection of Security Interest. This Pledge Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a legal, valid and enforceable security interest in the Pledged Collateral. Such security interest will be perfected (i) with respect to any such Pledged Collateral that is a Security and is evidenced by a certificate, when such Pledged Collateral is delivered to the Administrative Agent with duly executed Transfer Powers with respect thereto or when UCC financing statements in appropriate form are filed in the appropriate filing offices in the jurisdiction of organization of the Pledgors, (ii) with respect to any such Pledged Collateral that is a Security but is not evidenced by a certificate, when UCC financing statements in appropriate form are filed in the appropriate filing offices in the jurisdiction of organization of the Pledgors or when control is established by the Administrative Agent over such interests in accordance with the provision of Section 8-106 of the UCC, or any successor provision, and (iii) with respect to any such Pledged Collateral that is not a Security, when UCC financing statements in appropriate form are filed in the appropriate filing offices in the jurisdiction of organization of the Pledgors. Except as set forth in this subsection, no action is necessary to perfect the security interest granted by any Pledgor under this Pledge Agreement.

(g) No Other Interests. No financing statement naming any Pledgor as debtor and describing or purporting to cover all or any portion of the Pledged Collateral, which has not lapsed or been terminated, has been filed in any jurisdiction except for financing statements naming the Administrative Agent as secured party. No Pledgor has (i) registered the Pledged Collateral in the name of any other Person, (ii) consented to any agreement by any of the Pledged Subsidiaries in which any such Pledged Subsidiary agrees to act on the instructions of any other Person, (iii) delivered the Pledged Collateral to any other Person, or (iv) otherwise granted Control of the Pledged Collateral to any other Person.

(h) Authorization of Equity Interest. All Equity Interests which constitute Pledged Collateral are duly authorized, validly issued, and if applicable, fully paid and nonassessable and are not subject to preemptive rights of any Person.

(i) Pledgor's Authority. No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the pledge of the Pledged Collateral pursuant to this Pledge Agreement or for the execution, delivery or performance of this Pledge Agreement by the Pledgors (except for the filing of financing statements contemplated pursuant to Section 4(b) hereof) or (ii) for the exercise by the Administrative Agent of the voting or other rights provided for in this Pledge Agreement or the remedies in respect of the Pledged Collateral pursuant to this Pledge Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally). There are no restrictions upon the voting rights associated with, or upon the transfer of, any of the Pledged Collateral.

(j) Transfer Powers. Any Transfer Powers delivered in connection with this Pledge Agreement are duly executed and give the Administrative Agent the authority they purport to confer.

(k) Obligations to Pledged Subsidiaries. No Pledgor has any obligation to make further capital contributions or make any other payments to the Pledged Subsidiaries with respect to its interest therein.

section 7. Covenants.

(a) Change of Name, Etc. Except to the extent expressly permitted by the terms of the Loan Documents, each Pledgor agrees that it will (i) not change its name or its current legal structure, and will not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets, (ii) maintain its due organization and good standing in its jurisdiction of organization, (iii) not change its jurisdiction of organization, and (iv) not change its principal place of business or chief executive office (if it has more than one place of business), in each case, unless such Pledgor shall have given the Administrative Agent not less than 30-days' prior written notice of such event or occurrence and the Administrative Agent shall have either (x) determined that such event or occurrence will not adversely affect the validity, perfection or priority of the Administrative Agent's security interest in the Pledged Collateral, or (y) taken such steps (with the cooperation of the Pledgors to the extent necessary or advisable) as are necessary or advisable to properly maintain the validity, perfection and priority of the Administrative Agent's security interest in such Pledged Collateral.

(b) No Liens; No Transfer of Pledged Collateral. No Pledgor will (i) except as otherwise permitted by the Loan Documents, sell or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral without the prior written consent of the Administrative Agent, (ii) create or permit to exist any Lien or Negative Pledge upon or with respect to any of the Pledged Collateral (other than Permitted Liens of the types described in clauses (a) through (c) and (e) through (j) of the definition thereof), (iii) register the Pledged Collateral in the name of any Person other than the Administrative Agent, (iv) consent to any agreement between any Pledged Subsidiary and any Person (other than the Administrative Agent) in which such Pledged Subsidiary agrees to act on the instructions of any such Person, (v) deliver any Pledged Collateral or any related Transfer Power or

endorsement to any Person other than the Administrative Agent (or a designee thereof) or (vi) otherwise grant Control of any Pledged Collateral to any Person other than the Administrative Agent.

(c) Further Assurances. Each Pledgor will, at its expense, promptly execute, authorize, acknowledge and deliver all such instruments, certificates and other documents, and take all such additional actions, as the Administrative Agent from time to time may reasonably request in order to preserve and perfect the first priority security interest in the Pledged Collateral intended to be created by this Pledge Agreement, including, without limitation, (i) the authorization and filing of any necessary UCC financing statements, (ii) the delivery to the Administrative Agent of any certificates that may from time to time evidence the Pledged Collateral, (iii) the execution in blank and delivery of any necessary Transfer Powers or other endorsements, (iv) taking such action as necessary or desirable to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder in respect of the Pledged Collateral, and (iv) taking such action as required in the jurisdiction of organization of the applicable Pledgor or Pledged Subsidiary in order to ensure the enforceability and recognition of such first priority security interest in such jurisdiction.

(d) Defense of Title. Each Pledgor will defend, at its own cost and expense, its title to and ownership of the Pledged Collateral and the security interests of the Administrative Agent in the Pledged Collateral against the claim and demands of any other Person and will maintain and preserve the security interest in the Pledged Collateral created hereby.

(e) Pledged Subsidiaries. Except as otherwise permitted by the terms of the Loan Documents, no Pledgor shall (i) permit any Pledged Subsidiary to amend or modify its articles or certificate of incorporation, articles of organization, certificate of limited partnership, by-laws, operating agreement, partnership agreement or other comparable organizational instrument in a manner which would adversely affect the voting, liquidation, preference or other similar rights of any holder of the Equity Interests pledged hereunder or impair the security interest granted or purported to be granted herein, (ii) permit any Pledged Subsidiary to dissolve, liquidate, retire any of its capital stock or other instruments or securities evidencing ownership, reduce its capital or merge or consolidate with any other entity, or (iii) vote any of its Equity Interests or other investment property in favor of any of the foregoing.

(f) Additional Shares. No Pledgor shall permit any Pledged Subsidiary to issue any additional Equity Interests unless such Equity Interests are pledged hereunder as and when required pursuant to the following clause (g).

(g) Pledge Amendment. Each Pledgor will, upon obtaining ownership of any additional Pledged Collateral, promptly (and in any event within five (5) Business Days) deliver to the Administrative Agent a Pledge Amendment, duly executed by such Pledgor and, if applicable, acknowledged by each additional Pledged Subsidiary in connection therewith, in substantially the form of Exhibit B hereto (a "Pledge Amendment"), in respect of any such additional Pledged Collateral, pursuant to which such Pledgor shall confirm its grant of a security interest in such additional Pledged Collateral to the Administrative Agent pursuant to Section 2 hereof, such grant being deemed effective as of the date hereof, regardless of whether such Pledge Amendment is ever executed pursuant to this paragraph. Each Pledgor hereby authorizes the Administrative Agent to attach each Pledge Amendment to this Pledge Agreement and to unilaterally amend Schedule I hereto to include such additional Pledged Collateral as disclosed by such Pledgor in such Pledge Amendment, and agrees that all Pledged Collateral listed on any Pledge Amendment delivered to the Administrative Agent, or amended Schedule I, shall for all purposes hereunder be considered Pledged Collateral (it being understood and agreed that the failure by any Pledgor to prepare or execute any such Pledge Amendment shall not prevent the creation or attachment of the Administrative Agent's lien and security interest in any such property, which creation and attachment shall automatically, and be deemed to, occur pursuant to Section 2 hereof).

(h) Control Acknowledgment. Each Pledgor shall execute and deliver to each Pledged Subsidiary a control acknowledgment ("Control Acknowledgment") substantially in the form of Exhibit D hereto and shall cause each such Pledged Subsidiary to acknowledge in writing its receipt and acceptance thereof.

(i) Investment Property. Effective from and after the date that is 10 Business Days following the date hereof, each Pledgor shall, and shall cause each Pledged Subsidiary thereof that is a limited liability company or a partnership, to elect that the Pledged Interests be securities governed by Article 8 of the UCC and to evidence such securities by a certificate, in each such case, in a manner acceptable to the Administrative Agent.

(j) Delivery of Additional Certificates, Etc. If a Pledgor shall receive any certificate (including, without limitation, any certificate representing a stock and/or liquidating dividends, other distributions in property, return of capital or other distributions made on or in respect of the Pledged Collateral, whether resulting from a subdivision, combination or reclassification of outstanding Equity Interests or received in exchange for Pledged Collateral or any part thereof or as a result of any merger, consolidation, acquisition or other exchange of assets or on the liquidation, whether voluntary or involuntary, or otherwise), instrument, option or rights in respect of any Pledged Collateral, whether in addition to, in substitution of, as a conversion of, or in exchange for, any Pledged Collateral, or otherwise in respect thereof, such Pledgor shall hold the same in trust for the Administrative Agent and promptly deliver the same to the Administrative Agent in the exact form received, duly indorsed by such Pledgor to the Administrative Agent, if required, together with an undated Transfer Power covering such certificate (or other appropriate instrument of transfer) duly executed in blank by such Pledgor and with, if the Administrative Agent so requests, signature guaranteed, to be held by the Administrative Agent, subject to the terms of this Pledge Agreement, as Pledged Collateral.

section 8.

Voting Rights.

(a) During the term of this Pledge Agreement, so long as no Event of Default has occurred and is continuing, each Pledgor shall have (i) the right to vote the Pledged Interests on all governing questions in a manner not inconsistent with the terms of this Pledge Agreement or any Loan Documents and (ii) the right to be a member or a partner of all the Pledged Subsidiaries which are limited liability companies or partnerships, respectively.

(b) Upon the occurrence and during the continuance of an Event of Default, all rights of a Pledgor to exercise the voting and/or consensual rights and powers which a Pledgor is entitled to exercise pursuant to subsection (a) above shall cease, and all such rights thereupon shall become immediately vested in the Administrative Agent, which shall have the sole and exclusive right and authority to (i) exercise such voting and/or consensual rights and powers which any Pledgor shall otherwise be entitled to exercise pursuant to subsection (a) above, and (ii) become a member or partner of each and all of the Pledged Subsidiaries which are limited liability companies or partnerships, respectively, and as such (x) exercise, or direct the applicable Pledgor as to the exercise of all voting, consent, managerial, election and other membership rights to the applicable Pledged Collateral and (y) exercise, or direct any Pledgor as to the exercise of any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to the applicable Pledged Collateral, as if the Administrative Agent were the absolute owner thereof, all without liability except to account for property actually received by it; provided, that the Administrative Agent shall have no duty to exercise any of the aforesaid rights, privileges or options and shall not be responsible for any failure so to do or delay in so doing. Such authorization shall constitute an irrevocable voting proxy from such Pledgor to the Administrative Agent or, at the Administrative Agent's option, to the Administrative Agent's nominee.

section 9.

Dividends and Other Distributions.

(a) So long as no Event of Default has occurred and is continuing:

(i) Each Pledgor shall be entitled to receive and retain any and all dividends, cash distributions and interest paid in respect of the Pledged Collateral to the extent such distributions are not prohibited by the Loan Documents, provided, however, that any and all (A) distributions, dividends and interest paid or payable other than in cash with respect to, and instruments and other property received, receivable or otherwise distributed with respect to, or in exchange for, any of the Pledged Collateral, (B) dividends and other distributions paid or payable in cash with respect to any of the Pledged Collateral on account of a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in surplus, and (C) cash paid, payable or otherwise distributed with respect to principal of, or in redemption of, or in exchange for, any of the Pledged Collateral, shall be Pledged Collateral, and shall be forthwith delivered to the Administrative Agent to hold, for the benefit of the Administrative Agent and the Lenders, as Pledged Collateral and shall, if received by a Pledgor, be received in trust for the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, be segregated from the other property or funds of such Pledgor, and be delivered immediately to the Administrative Agent as Pledged Collateral in the same form as so received (with any necessary endorsement); and

(ii) The Administrative Agent shall execute and deliver (or cause to be executed and delivered) to each Pledgor all such proxies and other instruments as such Pledgor may reasonably request for the purpose of enabling such Pledgor to receive the dividends or interest payments which it is authorized to receive and retain pursuant to clause (i) above.

(b) Upon the occurrence and during the continuance of an Event of Default:

(i) All rights of the Pledgors to receive the dividends, distributions and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 9(a)(i) hereof shall cease, and all such rights shall thereupon become vested in the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, which shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends, distributions and interest payments; and

(ii) All dividends, distributions and interest payments which are received by any Pledgor contrary to the provisions of clause (i) of this Section 9(b) shall be received in trust for the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, shall be segregated from other funds of such Pledgor and shall be paid over immediately to the Administrative Agent as Pledged Collateral in the same form as so received (with any necessary endorsements).

section 10.

Remedies.

(a) The Administrative Agent shall have, in addition to any other rights given under this Pledge Agreement or by law, all of the rights and remedies with respect to the Pledged Collateral of a secured party under the UCC or any other Applicable Law. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent (personally or through an agent) is hereby authorized and empowered to transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, to exercise all voting rights with respect thereto, to collect and receive all cash dividends or distributions and other distributions made thereon, and to otherwise act with respect to the Pledged Collateral as though the Administrative Agent were the outright owner thereof (in the case of a limited liability company, the sole member and manager thereof and, in the case of a partnership, a partner thereof), each Pledgor hereby irrevocably constituting and appointing the Administrative Agent as the proxy and attorney in fact of such Pledgor, with full power of substitution to do so; provided, however, that the Administrative Agent shall have no duty to exercise any such right or to preserve the same and shall not be liable for any failure to do so or for any delay in doing so; provided, further, however, that the Administrative Agent agrees to exercise such proxy and powers only so long as an Event of Default shall have occurred and is continuing.

(b) In addition, after the occurrence and during the continuance of an Event of Default, the Administrative Agent shall have such powers of sale and other powers as may be conferred by

Applicable Law and regulatory requirements. With respect to the Pledged Collateral or any part thereof which shall then be in or shall thereafter come into the possession or custody of the Administrative Agent or which the Administrative Agent shall otherwise have the ability to transfer under Applicable Law, the Administrative Agent may, in its sole discretion, without notice except as specified below, after the occurrence and during the continuance of an Event of Default, sell or cause the same to be sold at any exchange, broker's board or at public or private sale, in one or more sales or lots, at such price as the Administrative Agent may deem best, for cash or on credit or for future delivery, without assumption of any credit risk, and the purchaser of any or all of the Pledged Collateral so sold shall thereafter own the same, absolutely free from any claim, encumbrance or right of any kind whatsoever. The Administrative Agent and each of the Lenders may, in its own name, or in the name of a designee or nominee, buy the Pledged Collateral at any public sale and, if permitted by applicable law, buy the Pledged Collateral at any private sale.

(c) Unless any of the Pledged Collateral threatens to decline speedily in value or is or becomes of a type sold on a recognized market, the Administrative Agent will give the applicable Pledgor reasonable notice of the time and place of any public sale thereof, or of the time after which any private sale or other intended disposition is to be made. Any sale of the Pledged Collateral conducted in conformity with reasonable commercial practices of Lenders, commercial finance companies, insurance companies or other financial institutions disposing of property similar to the Pledged Collateral shall be deemed to be commercially reasonable. Notwithstanding any provision to the contrary contained herein, each Pledgor agrees that any requirements of reasonable notice shall be met if such notice is received by such Pledgor as provided in Section 27 below at least ten (10) days before the time of the sale or disposition; provided, however, that the Administrative Agent may give any shorter notice that is commercially reasonable under the circumstances. Any other requirement of notice, demand or advertisement for sale is waived, to the extent permitted by law.

(d) In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Collateral may be effected after an Event of Default, each Pledgor agrees that upon the occurrence and during the continuation of an Event of Default, the Administrative Agent may, from time to time, attempt to sell all or any part of the Pledged Collateral by means of a private placement restricting the bidders and prospective purchasers to those who are qualified and will represent and agree that they are purchasing for investment only and not for distribution. In so doing, the Administrative Agent may solicit offers to buy the Pledged Collateral, or any part of it, from a limited number of investors deemed by the Administrative Agent, in its reasonable judgment, to be financially responsible parties who might be interested in purchasing the Pledged Collateral. If the Administrative Agent solicits such offers from not less than four (4) such investors, then the acceptance by the Administrative Agent of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposing of such Pledged Collateral; provided, however, that this Section does not impose a requirement that the Administrative Agent solicit offers from four (4) or more investors in order for the sale to be commercially reasonable.

(e) The rights and remedies of the Administrative Agent and the Lenders under this Pledge Agreement are cumulative and not exclusive of any rights or remedies which any of them otherwise has. All proceeds of the sale of the Pledged Collateral received by the Administrative Agent hereunder shall be applied by the Administrative Agent to payment of the Obligations pursuant to the terms of the Credit Agreement. Each Pledgor shall remain jointly and severally liable and will pay, on demand, any deficiency remaining in respect of the Obligations.

section 11. Administrative Agent Appointed Attorney in Fact. Each Pledgor hereby constitutes and appoints the Administrative Agent as the attorney-in-fact of such Pledgor with full power of substitution either in the Administrative Agent's name or in the name of such Pledgor to do any of the following : (a) to perform any obligation of such Pledgor hereunder in such Pledgor's name or otherwise; (b) to ask for, demand, sue for, collect, receive, receipt and give acquittance for any and all moneys due or

to become due under and by virtue of any Pledged Collateral; (c) to prepare, execute, file, record or deliver notices, assignments, financing statements, continuation statements, applications for registration or like papers to perfect, preserve or release the Administrative Agent's security interest in the Pledged Collateral; (d) to issue entitlement orders, instructions and other orders to any securities intermediary in connection with any of the Pledged Collateral held by or maintained with such securities intermediary; (e) to verify facts concerning the Pledged Collateral in such Pledgor's name, its own name or a fictitious name; (f) to endorse checks, drafts, orders and other instruments for the payment of money payable to such Pledgor, representing any interest or dividend or other distribution payable in respect of the Pledged Collateral or any part thereof or on account thereof and to give full discharge for the same; (g) to exercise all rights, powers and remedies which such Pledgor would have, but for this Pledge Agreement, with respect to any of the Pledged Collateral; and (h) to carry out the provisions of this Pledge Agreement and to take any action and execute any instrument which the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, and to do all acts and things and execute all documents in the name of such Pledgor or otherwise, deemed by the Administrative Agent as necessary, proper and convenient in connection with the preservation, perfection or enforcement of its rights hereunder; provided, however, that the Administrative Agent shall not take any of the foregoing actions (other than those described in clauses (a) and (c)) unless an Event of Default exists. Nothing herein contained shall be construed as requiring or obligating the Administrative Agent or any other secured party to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or notice, or to take any action with respect to the Pledged Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken by the Administrative Agent or any of the Lenders or omitted to be taken with respect to the Pledged Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of any Pledgor or to any claim or action against the Administrative Agent or any of the Lenders. The power of attorney granted herein is irrevocable and coupled with an interest.

section 12. Waivers. (i) Each Pledgor waives presentment and demand for payment of any of the Obligations, protest and notice of dishonor or default with respect to any of the Obligations and all other notices to which such Pledgor might otherwise be entitled except as otherwise expressly provided herein or in the applicable Loan Document.

(i) Each Pledgor understands and agrees that its obligations and liabilities under this Pledge Agreement shall remain in full force and effect, notwithstanding foreclosure of any property securing all or any part of the Obligations by trustee sale or any other reason impairing the right of any Pledgor, the Administrative Agent or any of the Lenders to proceed against any Pledged Subsidiary or any Pledged Subsidiary's property. Each Pledgor agrees that all of its obligations under this Pledge Agreement shall remain in full force and effect without defense, offset or counterclaim of any kind, notwithstanding that such Pledgor's rights against any Pledged Subsidiary may be impaired, destroyed or otherwise affected by reason of any action or inaction on the part of the Administrative Agent or any Lender.

(ii) Each Pledgor hereby expressly waives the benefits of any law in any jurisdiction purporting to allow a guarantor or pledgor to revoke a continuing guaranty or pledge with respect to any transactions occurring after the date of the guaranty or pledge.

section 13. Term. This Pledge Agreement shall remain in full force and effect until the earliest to occur of (i) the Equity Pledge Release Date, (ii) termination of this Pledge Agreement in accordance with Section 7.14(c) of the Credit Agreement and (iii) indefeasible payment in full of the Obligations (other than contingent indemnity obligations) and termination of all commitments to extend credit under the Loan Documents. Upon termination of this Pledge Agreement in accordance with its terms, the Administrative Agent agrees to take such actions as any Pledgor may reasonably request, and at the sole cost and expense of such Pledgor, to evidence the termination of this Pledge Agreement.

section 14. Releases. The Administrative Agent may, in accordance with Section 7.14 of the Credit Agreement, release any of the Pledged Collateral or any Pledgor from this Pledge Agreement or

may substitute any of the Pledged Collateral for other Pledged Collateral without altering, varying or diminishing in any way the force, effect, lien, pledge or security interest of this Pledge Agreement as to any Pledged Collateral or Pledgor not expressly released or substituted.

section 15. Successors and Assigns. This Pledge Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that no Pledgor shall have any right or power to assign this Pledge Agreement or any interest herein or in the Pledged Collateral or any part thereof and any such assignment by a Pledgor shall be null and void ab initio and of no force or effect absent the prior written consent of the Administrative Agent.

section 16. Reimbursement of Administrative Agent. Each Pledgor agrees to pay, within 10 Business Days after receipt of an invoice therefor, to the Administrative Agent the amount of any and all actual costs and expenses, including the fees, disbursements and other charges of its counsel and of any experts or agents that the Administrative Agent may incur in connection with (a) the administration of this Pledge Agreement, (b) the custody or preservation of, or any sale of, collection from, or other realization upon, any of the Pledged Collateral, (c) the exercise or enforcement of any of the rights of the Administrative Agent hereunder, or (d) the failure by any Pledgor to perform or observe any of the provisions hereof or otherwise in respect of the Pledged Collateral.

section 17. Continuing Security Interest. This Pledge Agreement shall create a continuing security interest in the Pledged Collateral and shall remain in full force and effect until it terminates in accordance with its terms.

section 18. Security Interest Absolute. All rights of the Administrative Agent hereunder, the grant of a security interest in the Pledged Collateral and all obligations of each Pledgor hereunder, shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of any Loan Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of the payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any Loan Document, or any other agreement or instrument relating to any of the foregoing, (c) any exchange, release or nonperfection of any other Pledged Collateral, or any release or amendment or waiver of or consent to or departure from any guaranty, for all or any of the Obligations or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Pledgor in respect of the Obligations or in respect of this Pledge Agreement (other than the indefeasible payment in full of all the Obligations).

section 19. GOVERNING LAW. THIS PLEDGE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

section 20. Waiver of Jury Trial; Consent to Jurisdiction; Venue; Service of Process.

(A) EACH OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN OR AMONG ANY OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND WOULD RESULT IN DELAY AND EXPENSE TO THE PARTIES. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST ANY PLEDGOR OR THE ADMINISTRATIVE AGENT ARISING OUT OF THIS PLEDGE AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATED HERETO OR THERETO OR WITH ANY COLLATERAL OR ANY LIEN OR BY REASON OF ANY OTHER SUIT, CAUSE OF ACTION OR DISPUTE WHATSOEVER BETWEEN OR AMONG ANY OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT OF ANY KIND OR NATURE RELATING TO THIS PLEDGE

AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO.

(B) EACH OF THE PLEDGORS IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT OR ANY RELATED PARTY OF THE ADMINISTRATIVE AGENT IN ANY WAY RELATING TO THIS PLEDGE AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT AGREES THAT A FINAL, NON-APPEALABLE JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS PLEDGE AGREEMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS PLEDGE AGREEMENT OR THE COLLATERAL AGAINST ANY PLEDGOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION. EACH OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT FURTHER WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM AND EACH AGREES NOT TO PLEAD OR CLAIM THE SAME. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE ADMINISTRATIVE AGENT OR THE ENFORCEMENT BY THE ADMINISTRATIVE AGENT OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

(C) EACH PLEDGOR HEREBY IRREVOCABLY APPOINTS AND AUTHORIZES THE BORROWER TO ACT AS ITS AGENT FOR SERVICE OF PROCESS AND NOTICES REQUIRED TO BE DELIVERED UNDER THIS PLEDGE AGREEMENT OR UNDER THE OTHER LOAN DOCUMENTS, IT BEING UNDERSTOOD AND AGREED THAT RECEIPT BY THE BORROWER OF ANY SUMMONS, NOTICE OR OTHER SIMILAR ITEM SHALL BE DEEMED EFFECTIVE RECEIPT BY EACH PLEDGOR AND ITS SUBSIDIARIES.

(D) THE PROVISIONS OF THIS SECTION HAVE BEEN CONSIDERED BY EACH OF THE PLEDGORS AND THE ADMINISTRATIVE AGENT WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF ALL AMOUNTS PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS AND THE TERMINATION OF THIS PLEDGE AGREEMENT.

section 21. Marshalling. Neither the Administrative Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Pledgor or any other Person or against or in payment of any or all of the Obligations.

section 22. No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Pledge Agreement. In the event an ambiguity or question of intent or interpretation arises, this Pledge Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Pledge Agreement.

section 23. Severability. Whenever possible, each provision of this Pledge Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but, if any provision of this Pledge Agreement shall be held to be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Pledge Agreement.

section 24. Further Assurances. Each Pledgor agrees that it will cooperate with the Administrative Agent and will execute and deliver, or cause to be executed and delivered, all such other transfer powers, proxies, instruments and documents, and will take all such other actions, including, without limitation, the execution and filing of financing statements (and each Pledgor hereby authorizes the Administrative Agent to file any such financing statements), as the Administrative Agent may reasonably deem necessary from time to time in order to carry out the provisions and purposes of this Pledge Agreement.

section 25. The Administrative Agent's Duty of Care. Other than the exercise of reasonable care to ensure that safe custody of the Pledged Collateral while being held by the Administrative Agent hereunder, the Administrative Agent shall have no duty or liability to preserve rights pertaining thereto, it being understood and agreed that each Pledgor shall be responsible for preservation of all rights of such Pledgor in the Pledged Collateral. The Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if such Pledged Collateral is accorded treatment substantially equal to that which the Administrative Agent accords its own property, it being understood that the Administrative Agent shall not have responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Pledged Collateral, whether or not the Administrative Agent has or is deemed to have knowledge of such matters or (b) taking any necessary steps to preserve rights against any parties with respect to any Pledged Collateral. The Administrative Agent shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law including, without limitation, acts, omissions, errors or mistakes with respect to the Pledged Collateral, except for those arising out of or in connection with the Administrative Agent's gross negligence or willful misconduct.

section 26. No Waiver. Neither the failure on the part of the Administrative Agent or any Lender to exercise, nor the delay on the part of the Administrative Agent or any Lender in exercising any right, power or remedy hereunder, nor any course of dealing between the Administrative Agent or any Lender, on the one hand, and any Pledgor, on the other hand, shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy hereunder preclude any other or the further exercise thereof or the exercise of any other right, power or remedy.

section 27. Notices. All notices and other communications provided for hereunder shall be delivered in the manner set forth in Section 12.1 of the Credit Agreement.

section 28. Amendments, Waivers and Consents. No amendment or waiver of any provision of this Pledge Agreement nor consent to any departure by the Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

section 29. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

section 30. Execution in Counterparts. This Pledge Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Pledge Agreement by facsimile, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Pledge Agreement.

section 31. Merger. This Pledge Agreement and the other Loan Documents embody the final and entire agreement and understanding among the Pledgors, the Administrative Agent and the Lenders and supersede all prior agreements and understandings among the Pledgors, the Administrative Agent and the Lenders relating to the subject matter thereof. This Pledge Agreement and the Loan Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties hereto.

section 32. Additional Pledgors. Pursuant to the Credit Agreement, the Borrower may be required to, and/or to cause certain Subsidiaries to, execute and deliver to the Administrative Agent (i) in the case of a Subsidiary that is not a Pledgor at such time, a Pledge Supplement in the form of Exhibit A hereto (each such supplement, a “Pledge Supplement”) and (ii) in the case of the Borrower or a Subsidiary that is a Pledgor at such time, a Pledge Amendment, together with such supporting documentation required pursuant to the Credit Agreement as the Administrative Agent may reasonably request, in order to create a perfected, first priority security interest in the Equity Interests in certain Subsidiaries. The execution and delivery of such instrument shall not require the consent of any Pledgor hereunder. The rights and obligations of each Pledgor hereunder shall remain in full force and effect notwithstanding the addition of any new Pledgor as a party to this Pledge Agreement.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, the Pledgors and the Administrative Agent have duly executed and delivered this Pledge Agreement as of the date set forth above.

Service Properties Trust, as a Pledgor

By: /s/ Brian E. Donley
Name: Brian E. Donley
Title: Chief Financial Officer and Treasurer

Banner Newco LLC, as a Pledgor

By: /s/ Brian E. Donley
Name: Brian E. Donley
Title: Chief Financial Officer and Treasurer

Highway ventures borrower LLC, as a Pledgor

By: /s/ Brian E. Donley
Name: Brian E. Donley
Title: Chief Financial Officer and Treasurer

Highway Ventures Properties trust, as a Pledgor

By: /s/ Brian E. Donley

Name: Brian E. Donley

Title: Chief Financial Officer and Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: /s/ Anand J. Jobanputra

Name: Anand J. Jobanputra

Title: Senior Vice President

SCHEDULE I TO PLEDGE AGREEMENT

PLEDGED SUBSIDIARIES

<u>Pledgor</u>	<u>Pledged Subsidiary</u>	<u>Certificate No.</u> ¹	<u>No. of Shares / Units Owned</u>	<u>Percentage of Ownership</u>
Highway Ventures Borrower LLC	Highway Ventures Properties Trust		1,000	100%
Service Properties Trust	HPTWN Properties Trust		100	100%
Banner NewCo LLC	SVCN 3 LLC		N/A	100%
Service Properties Trust	HPT Suite Properties Trust		1,000	100%
Banner NewCo LLC	SVCN 4 LLC		N/A	100%
Highway Ventures Properties Trust	Highway Ventures Properties LLC		N/A	100%
Service Properties Trust	Banner NewCo LLC		N/A	100%

1. To be completed by Pledgors in accordance with Section 4 of the Pledge Agreement

SCHEDULE II TO PLEDGE AGREEMENT

PLEDGOR INFORMATION

<u>Pledgor</u>	<u>Type of Entity</u>	<u>Jurisdiction</u>	<u>Organizational ID No.</u>	<u>Mailing Address of Chief Executive Office</u>
Service Properties Trust	Real Estate Investment Trust	Maryland	04-3262075	Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458
Banner NewCo LLC	Limited Liability Company	Delaware	84-3069989	Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458
Highway Ventures Borrower LLC	Limited Liability Company	Delaware	84-3373977	Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458
Highway Ventures Properties Trust	Real Estate Investment Trust	Maryland	26-0239999	Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458

EXHIBIT A

to

PLEDGE AGREEMENT

FORM OF PLEDGE SUPPLEMENT

SUPPLEMENT NO. ____ dated as of ____, 20__ to the PLEDGE AGREEMENT dated as of May 8, 2020 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Pledge Agreement”), among Service Properties Trust, a real estate investment trust formed under the laws of the State of Maryland (the “Borrower”), certain subsidiaries of the Borrower from time to time signatories thereto as Pledgors (together with the Borrower, collectively, the “Pledgors”) and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent for the Lenders (in such capacity, the “Administrative Agent”).

Reference is made to the Second Amended and Restated Credit Agreement dated as of May 10, 2018 (as amended by that certain First Amendment to Second Amended and Restated Credit Agreement, dated as of September 17, 2019, and by that certain Second Amendment to Second Amended and Restated Credit Agreement, dated as of the date hereof, and as further amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among the Borrower, the financial institutions from time to time party thereto as lenders (the “Lenders”) and the Administrative Agent. Capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Pledge Agreement or the Credit Agreement, as applicable.

The undersigned Subsidiary of the Borrower (the “New Pledgor”) is executing this Supplement in accordance with the requirements of the Credit Agreement and the Pledge Agreement to become a Pledgor under the Pledge Agreement in consideration for Loans and Letters of Credit previously made to, or issued for the account of, the Borrower.

Accordingly, Administrative Agent and the New Pledgor agree as follows:

SECTION 1. In accordance with Section 32 of the Pledge Agreement, the New Pledgor by its signature below becomes a Pledgor under the Pledge Agreement with the same force and effect as if originally named therein as a Pledgor, and the New Pledgor hereby (a) agrees to all the terms and provisions of the Pledge Agreement applicable to it as a Pledgor thereunder and (b) represents and warrants that the representations and warranties made by it as a Pledgor thereunder are true and correct in all respects on and

as of the date hereof. In furtherance of the foregoing, the New Pledgor, as security for the payment and performance in full of the Obligations, does hereby create and grant to Administrative Agent, its successors and assigns, a security interest in and Lien on all of the New Pledgor's right, title and interest in and to the Pledged Collateral (as defined in the Pledge Agreement) of the New Pledgor. Each reference to a "Pledgor" or the "Pledgors" in the Pledge Agreement shall be deemed to include the New Pledgor. The Pledge Agreement is hereby incorporated herein by reference.

SECTION 2. The New Pledgor represents and warrants to Administrative Agent that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally.

SECTION 3. This Supplement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when Administrative Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Pledgor and Administrative Agent. Delivery of an executed counterpart of a signature page of this Supplement by facsimile, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Supplement.

SECTION 4. The New Pledgor hereby represents and warrants that the information set forth in Schedules I and II attached hereto is true and correct and is hereby added to the information set forth in Schedules I and II to the Pledge Agreement, respectively. The New Pledgor hereby agrees that this Supplement may be attached to the Pledge Agreement and that the Pledged Collateral listed on Schedule I hereto shall be and become part of the Pledged Collateral referred to in the Pledge Agreement and shall secure all Obligations in accordance with the terms of the Pledge Agreement.

SECTION 5. If for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or effect those portions of this Supplement which are valid.

SECTION 6. All communications and notices hereunder shall be in writing and given as provided in the Pledge Agreement. All communications and notices hereunder to the New Pledgor shall be given to it at the address set forth under its signature below.

SECTION 7. The New Pledgor agrees to reimburse Administrative Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for Administrative Agent.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, the New Pledgor and Administrative Agent have duly executed and delivered this Supplement to the Pledge Agreement as of the day and year first above written.

[NEW PLEDGOR]

By:

Name:

Title:

Address:

Attention:

Facsimile: (____) ____ - ____

ACKNOWLEDGED AND AGREED

as of the date first above written:

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Administrative Agent

By:

Name:

Title:

Schedule I to

Supplement No. __

to the Pledge Agreement

PLEDGED SUBSIDIARIES

<u>Pledgor</u>	<u>Pledged Subsidiary</u>	<u>Certificate No.</u>	<u>No. of Shares / Units</u> <u>Owned</u>	<u>Percentage of Ownership</u>
[_____]	[_____]	[_____]	[_____]	100%

Schedule II to

Supplement No. __

to the Pledge Agreement

NEW PLEDGOR INFORMATION

<u>Pledgor</u>	<u>Type of Entity</u>	<u>Jurisdiction</u>	<u>Organizational ID No.</u>	<u>Mailing Address of Chief Executive Office</u>
[]	[]	[]	[]	[]

EXHIBIT B

to

PLEDGE AGREEMENT

FORM OF PLEDGE AMENDMENT

Reference is hereby made to the Pledge Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Pledge Agreement”) dated as of May 8, 2020, by and among Service Properties Trust, a real estate investment trust formed under the laws of the State of Maryland (the “Borrower”), the undersigned Pledgor and the other Subsidiaries of the Borrower from time to time party thereto as Pledgors, and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (in such capacity, the “Administrative Agent”), whereby the undersigned has pledged certain capital stock, membership interests and partnership interests, as applicable, of certain of its Subsidiaries as collateral to the Administrative Agent, for the ratable benefit of the Lenders, as more fully described in the Pledge Agreement. This Amendment is a “Pledge Amendment” as defined in the Pledge Agreement and is, together with the acknowledgments, certificates, and Transfer Powers delivered herewith, subject in all respects to the terms and provisions of the Pledge Agreement. Capitalized terms used herein and not defined herein shall have the meanings given to them in the Pledge Agreement.

By its execution below, the undersigned hereby agrees that (i) this Amendment may be attached to the Pledge Agreement and that the Pledged Collateral listed on Schedule I hereto shall be and become part of the Pledged Collateral referred to in the Pledge Agreement and shall secure all Obligations in accordance with the terms of the Pledge Agreement and (ii) each [corporation] [limited liability company] [partnership] listed on Schedule I hereto shall be deemed to be a Pledged Subsidiary for all purposes of the Pledge Agreement.

By its execution below, the undersigned represents and warrants that it has full power and authority to execute this Pledge Amendment and that the representations and warranties contained in Section 6 of the Pledge Agreement are true and correct in all respects as of the date hereof and after taking into account the pledge of the additional Pledged Collateral relating hereto. The Pledge Agreement, as amended and modified hereby, remains in full force and effect and is hereby ratified and confirmed.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, the Pledgor has duly executed and delivered this Pledge Amendment to the Pledge Agreement as of this _____ day of _____, _____.

[PLEDGOR]

By:

Name:

Title:

Schedule I

to

Pledge Amendment

PLEDGED SUBSIDIARIES

<u>Pledgor</u>	<u>Pledged Subsidiary</u>	<u>Certificate No.</u>	<u>No. of Shares / Units Owned</u>	<u>Percentage of Ownership</u>
[_____]	[_____]	[_____]	[_____]	100%

ACKNOWLEDGMENT

TO

PLEDGE AMENDMENT

The undersigned hereby acknowledges receipt of a copy of the foregoing Pledge Amendment together with a copy of the Pledge Agreement, agrees promptly to note on its books the security interests granted under such Pledge Agreement, agrees that after the occurrence and during the continuance of an Event of Default it will comply with instructions originated by the Administrative Agent without further consent by the Pledgor and waives any rights or requirement at any time hereafter to receive a copy of such Pledge Agreement in connection with the registration of any Pledged Collateral in the name of the Administrative Agent or its nominee or the exercise of voting rights by the Administrative Agent or its nominee.

[NAME[S] OF ADDITIONAL PLEDGED SUBSIDIARY[IES]]

By:

Name:

Title:

EXHIBIT C

to

PLEDGE AGREEMENT

FORM OF TRANSFER POWER

FOR VALUE RECEIVED, the undersigned does hereby sell, assign and transfer to _____ [shares] [units] [percent] of the [capital stock] [membership interests] of _____, a _____ [corporation] [limited liability company] [limited partnership] (the "Company"), represented by Certificate No. _____ (the "Stock"), standing in the name of the undersigned on the books of the Company, and does hereby irrevocably constitute and appoint _____ as the undersigned's true and lawful attorney, for it and in its name and stead, to sell, assign and transfer all or any of the [Stock], and for that purpose to make and execute all necessary acts of assignment and transfer thereof; and to substitute one or more persons with like full power, hereby ratifying and confirming all that said attorney or substitute or substitutes shall lawfully do by virtue hereof.

Dated:

[PLEDGOR]

By:

Name:

Title:

EXHIBIT D

to

PLEDGE AGREEMENT

Form of CONTROL Acknowledgement

PLEDGED SUBSIDIARY:
[Name of Pledged Subsidiary]

PLEDGOR:
[Name of Pledgor]

Reference is hereby made to that certain Pledge Agreement dated as of May 8, 2020 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Pledge Agreement"), by and among Service Properties Trust, a real estate investment trust formed under the laws

of the State of Maryland (the “Borrower”), the undersigned Pledgor and certain other Subsidiaries of the Borrower from time to time party thereto as pledgors, and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (in such capacity, the “Administrative Agent”). Capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Pledge Agreement.

Pledged Subsidiary is hereby instructed by the Pledgor that all of the Pledgor’s right, title and interest in and to all of the Pledgor’s rights in connection with any Equity Interests in Pledged Subsidiary now and hereafter owned by the Pledgor are subject to a pledge and security interest in favor of Administrative Agent. Pledgor hereby instructs the Pledged Subsidiary to act upon any instruction delivered to it by the Administrative Agent with respect to the Pledged Collateral without seeking further instruction from the Pledgor, and, by its execution hereof, the Pledged Subsidiary agrees to do so.

Pledged Subsidiary, by its written acknowledgement and acceptance hereof, hereby (i) acknowledges receipt of a copy of the aforementioned Pledge Agreement and agrees promptly to note on its books the security interest granted under such Pledge Agreement, (ii) waives any rights or requirements at any time hereafter to receive a copy of such Pledge Agreement in connection with the registration of any Pledged Collateral in the name of the Administrative Agent or its nominee or the exercise of voting rights by the Administrative Agent or its nominee, and (iii) acknowledges and agrees that, notwithstanding anything to the contrary in its bylaws, operating agreement, partnership agreement, declaration or other applicable governing or organizational documents, such Pledged Subsidiary will (A) be bound by, and comply with, all terms of the Pledge Agreement applicable to such Pledged Subsidiary, including, without limitation, Sections 7(e), (f) and (i) thereof, (B) notify the Administrative Agent in writing promptly of the occurrence of any of the events described in Section 7(f) of the Pledge Agreement, and (C) not permit any of the Equity Interests issued by it to be dealt in or traded on a securities exchange or in securities markets.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, the Pledgor has caused this Control Acknowledgment to be duly signed and delivered by its officer duly authorized as of this ____ day of ____, 20__.

[PLEDGOR]

By:
Name:
Title:

Acknowledged and accepted this
____ day of _____, 20 ____

[PLEDGED SUBSIDIARY]

By:
Name:
Title:

**Amended and Restated
MANAGEMENT AGREEMENT
by and between
Sonesta International Hotels Corporation
as “MANAGER”**

**AND
Cambridge TRS, Inc.
as “OWNER”**

Dated as of February 27, 2020

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Exhibit A The Site

THIS AMENDED AND RESTATED MANAGEMENT AGREEMENT (this “**Agreement**”) is executed as of February 27, 2020 (the “**Effective Date**”), by Cambridge TRS, Inc., a Maryland corporation (“**Owner**”), and Sonesta International Hotels Corporation, a Maryland corporation (“**Manager**”).

RECITALS:

A. HPT IHG-2 Properties Trust (“**Landlord**”) is the owner of fee title to the real property (the “**Site**”) described on Exhibit A to this Agreement on which certain improvements have been constructed consisting of a building or buildings containing 340 Guest Rooms, and certain other amenities and related facilities (collectively, the “**Building**”). The Site and the Building, in addition to certain other rights, improvements, and personal property, are referred to as the “**Hotel**” and more particularly described in the definition in Section 12.01. Pursuant to the Lease, Landlord has leased the Hotel to Owner.

B. Owner and Manager have previously entered into a Management Agreement, dated as of April 23, 2012 (the “**Initial Effective Date**”), as amended, pursuant to which Owner engaged Manager to manage and operate the Hotel (the “**Prior Management Agreement**”). Manager and Owner desire to amend and restate the terms and provisions of the Prior Management Agreement in their entirety and replace them with the terms and provisions of this Agreement effective as of 12:01 a.m. on the Effective Date.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged, Owner and Manager agree as follows:

Article I

APPOINTMENT OF MANAGER

1.01 Appointment. Subject to the provisions of this Agreement, Owner hereby engages Manager to supervise, direct and control the management and operation of the Hotel during the Term. Manager accepts such engagement and agrees to manage and operate the Hotel during the Term in accordance with the terms and conditions of this Agreement. The Hotel shall be known as Sonesta Hilton Head. All capitalized terms shall have the meaning ascribed to them in Article XII.

1.02 Management of the Hotel.

A. The management and operation of the Hotel shall be under the exclusive supervision and control of Manager except as otherwise specifically provided in this Agreement. Manager shall manage and operate the Hotel in an efficient and economical manner consistent with standards prevailing in other hotels in the System, including all activities in connection therewith which are customary and usual to such an operation (provided, however, that if the market area or the physical peculiarities of the Hotel warrant, in the reasonable judgment of Manager, a deviation from such standards shall be permitted (the “**Operating Standards**”)). Manager shall, in accordance with the System Standards, the Operating Standards and the terms of this Agreement:

1. Recruit, employ, supervise, direct and (when appropriate) discharge the employees at the Hotel.

2. Establish Guest Room rates and prices, rates and charges for services provided in the Hotel.
3. Establish administrative policies and procedures, including policies and procedures for employment, control of revenue and expenditures, maintenance of bank accounts for the purchasing of supplies and services, control of credit, and scheduling of maintenance and verify that the foregoing procedures are operating in a sound manner.
4. Manage expenditures to replenish Inventories and Fixed Asset Supplies, make payments on accounts payable and collect accounts receivable.
5. Arrange for and supervise public relations and advertising and prepare marketing plans.
6. Procure all Inventories and replacement Fixed Asset Supplies.
7. Prepare and deliver Monthly Statements, Annual Operating Statements, Annual Operating Projections, Capital Estimates, Capital Statements and such other information required by this Agreement or as Owner may reasonably request.
8. Plan, execute and supervise repairs, maintenance, alterations and improvements at the Hotel.
9. Provide, or cause to be provided, risk management services relating to the types of insurance required to be obtained or provided by Manager under this Agreement and provide such information related to risk management as Owner may from time to time reasonably request.
10. Obtain and keep in full force and effect, either in its own name or in Owner's and/or Landlord's name, as may be required by applicable law, any and all licenses and permits to the extent within the control of Manager (or, if not within the control of Manager, Manager shall use commercially reasonable efforts to obtain and keep same in full force and effect).
11. Reasonably cooperate in a Sale of the Hotel or in obtaining a Mortgage.
12. On behalf of Owner, negotiate, enter into and administer leases, subleases, licenses and concession agreements for all public space at the Hotel (including all retail, office and lobby space and antenna leases on rooftop areas) and administer, comply with and arrange for extensions of any ground lease or common interest realty associations as necessary.
13. On behalf of Owner, negotiate, enter into and administer service contracts and licenses for the operation of the Hotel, including contracts and licenses for health and safety, systems maintenance, electricity, gas, telephone, cleaning, elevator and boiler maintenance, air conditioning maintenance, laundry and dry cleaning, master television service, internet service, use of copyrighted materials (such as music and videos), entertainment and other services as Manager deems advisable.
14. Negotiate, enter into and administer contracts for the use of banquet and meeting facilities and Guest Rooms by groups and individuals.
15. Take reasonable action to collect and institute in its own name or in the name of Owner or the Hotel, in each instance as Manager in its reasonable discretion deems appropriate, legal actions or proceedings to collect charges, rent or other income derived from the operation of the Hotel or to oust or dispossess guests, tenants, members or other persons in possession therefrom, or to cancel or terminate any lease, license or concession agreement for the breach thereof or default thereunder by Owner, licensee or concessionaire.
16. Make representatives available to consult with and advise Owner, at Owner's reasonable request, concerning policies and procedures affecting the conduct of the business of the Hotel.

17. Collect on behalf of Owner and account for and remit to governmental authorities all applicable excise, sales, occupancy and use taxes or similar governmental charges collected by or at the Hotel directly from guests, members or other patrons, or as part of the sales price of any goods, services or displays, such as gross receipts, admission or similar or equivalent taxes, duties, levies or charges.

18. Keep Owner advised of significant events which occur with respect to the Hotel which might reasonably be expected to have a material adverse effect on the financial performance or value of the Hotel.

19. Perform such other tasks with respect to the Hotel as are customary and consistent with the Operating Standards and the System Standards.

B. Manager shall use commercially reasonable efforts to comply with all Legal Requirements and Insurance Requirements pertaining to its operation of the Hotel.

C. Manager shall use commercially reasonable efforts to obtain and maintain all approvals necessary to use and operate the Hotel in accordance with the System Standards, Operating Standards and Legal Requirements. Owner shall cooperate with Manager and shall (or cause Landlord to) execute all applications and consents reasonably required to be executed by Owner in order for Manager to obtain and maintain such approvals.

D. Manager shall not use, and shall exercise commercially reasonable efforts to prevent the use of, the Hotel and Owner's Personal Property, if any, for any unlawful purpose. Manager shall not commit, and shall use commercially reasonable efforts to prevent the commission of, any waste at the Hotel. Manager shall not use, and shall use commercially reasonable efforts to prevent the use of, the Hotel in such a manner as will constitute an unlawful nuisance. Manager shall use commercially reasonable efforts to prevent the use of the Hotel in such a manner as might reasonably be expected to impair Owner's or Landlord's title thereto or any portion thereof or might reasonably be expected to give rise for a claim or claims for adverse use or adverse possession by the public, or of implied dedication of the Hotel or any portion thereof.

1.03 Services Provided by Manager.

E. Manager shall furnish certain services, from time to time during the Term, which are furnished generally on a central or regional basis to other hotels in the System which are managed by Manager, and which benefit the Hotel as a participant in the System, such as: national sales office services; central operational support for rooms, food and beverage and engineering; central training services; career development; management personnel relocation; central safety and loss prevention services; central advertising and promotion (including direct and image media and advertising administration); consumer affairs to the extent not charged or allocated directly to the Hotel; the national reservations system service and inventory and revenue management services; centralized payroll and accounting services; computer system development, support and operating costs; and central monitoring and management support from "line management" personnel such as area managers.

Other than the charges for the national reservation system services, for which Manager receives the Reservation Fee, the Loyalty Program Fee and the Marketing Program Fee, the charges for the services listed in this Section 1.03.A. shall not be separately compensated and are included in the System Fee.

F. Notwithstanding the foregoing, if after Effective Date it is determined that there are central or regional services which may be furnished for the benefit of hotels in the System or in substitution for services now performed at individual hotels which may be more efficiently or effectively performed on a group basis, Manager shall furnish such services and Owner and

Manager shall reasonably agree on the allocation of the costs thereof to the affected Hotels, which agreement shall be reflected in an approved Annual Operating Projection.

1.04 Employees.

G. All personnel employed at the Hotel shall at all times be the employees of Manager. Subject to the terms of this Agreement, Manager shall have absolute discretion with respect to all personnel employed at the Hotel, including, without limitation, decisions regarding hiring, promoting, transferring, compensating, supervising, terminating, directing and training all employees at the Hotel, and, generally, establishing and maintaining all policies relating to employment; provided Manager shall not enter into any written employment agreements with any person which purport to bind Owner and/or purport to be effective regardless of a termination, without obtaining Owner's consent. Manager shall comply with all Legal Requirements regarding labor relations; if either Manager or Owner shall be required, pursuant to any such Legal Requirement, to recognize a labor union or to enter into a collective bargaining with a labor union, the party so required shall promptly notify the other party. Manager shall have the authority to negotiate and settle labor union contracts with union employees and union representatives and Manager is authorized to settle labor disputes and administrative claims as may be routinely necessary in the daily management of the Hotel, provided Owner shall be given prompt notice of any negotiations which could reasonably be expected to result in contracts which would bind Owner and shall be provided with any written materials in connection therewith and at least ten (10) days prior to execution of any contract or amendment. Manager shall indemnify Owner and Landlord for all costs and expenses (including reasonable attorneys' fees) incurred by either of them if either of them are joined in or made party to any suit or cause of action alleging that Manager has failed to comply with all Legal Requirements pertaining to the employment of Manager's employees at the Hotel.

H. Manager shall have the authority to hire, dismiss or transfer the Hotel's general manager, provided Manager shall keep Owner reasonably informed with respect to such actions. Upon Owner's request, Manager will provide the Owner the opportunity to interview general manager candidates before they are hired.

I. Manager shall decide which, if any, of the employees of the Hotel shall reside at the Hotel (provided that Owner's prior approval shall be obtained if more than two (2) such employees and their immediate families reside at the Hotel), and shall be permitted to provide free accommodations and amenities to its employees and representatives living at or visiting the Hotel in connection with its management or operation consistent with Manager's usual practices for hotels in the System. No person shall otherwise be given gratuitous accommodations or services without prior approval of Owner and Manager, except in accordance with usual practices of the hotel and travel industry.

J.

1.05 Right to Inspect. Manager shall permit Owner and Landlord and their respective authorized representatives to inspect or show the Hotel during usual business hours upon not less than twenty-four (24) hours' notice and to make such repairs as Owner and Landlord are permitted or required to make pursuant to the terms of the Lease, provided that any inspection or repair by Owner or Landlord or their representatives shall not unreasonably interfere with the use and operation of the Hotel and further provided that in the event of an emergency as determined by Owner or Landlord in its reasonable discretion, prior notice shall not be required.

Article II

TERM

2.01 Term.

A. The term of this Agreement (the “**Term**”) shall begin on the Effective Date and shall continue until January 31, 2037 (the “**Initial Term**”) and, provided there exists no Manager Event of Default, the Term shall thereafter automatically be extended for two (2) successive periods of fifteen (15) years each (each, a “**Renewal Term**”), unless Manager gives notice of Manager’s decision not to extend on or before the date which is at least twenty-four (24) months prior to the date of the expiration of the Initial Term or first Renewal Term, as the case may be, time being of the essence. If Manager does not extend the Initial Term or the first Renewal Term, as the case may be (i) this Agreement shall automatically terminate at the end of the Term then in effect, and Manager shall have no further option to extend the Term and (ii) during the twenty-four (24) month period prior to the date of the expiration of the Initial Term or any Renewal Term, as the case may be, Owner shall have the right to effect an earlier termination of this Agreement by notice to Manager, which termination shall be effective as of the date which is set forth in such notice, provided that such date shall be at least ninety (90) days after the date of such notice, and such termination shall be in accordance with the provisions of Section 11.09.

B. Each Renewal Term shall commence on the day succeeding the expiration of the Initial Term or the preceding Renewal Term, as the case may be. All of the terms, covenants and provisions of this Agreement shall apply to each Renewal Term, except that the Term shall not be extended beyond January 31, 2067.

2.02 Early Termination. Without limiting either party’s right to terminate this Agreement under any other provision of this Agreement:

A. Owner may terminate this Agreement upon sixty (60) days’ notice to Manager given within thirty (30) days prior to or after January 1 of any Year if the actual amounts paid to Owner as Owner’s Priority during any three (3) Tested Years within the four (4) consecutive Years immediately preceding such January 1 are less than six percent (6%) of Invested Capital, determined annually, in those Tested Years, and such termination shall be in accordance with the provisions of Section 11.09.

Article III

COMPENSATION OF MANAGER; DISBURSEMENTS

3.01 Fees. In consideration of the management services to be performed during the Term, Manager shall be paid the sum of the following:

- A. Base Management Fee;
- B. Reservation Fee;
- C. System Fee;
- D. Procurement and Construction Supervision Fee;
- E. Loyalty Program Fee;
- F. Marketing Program Fee; and
- G. Incentive Management Fee.

3.02 Disbursements. Gross Revenues shall be distributed in the following order of priority:

- H. First, to pay all Deductions (excluding the Base Management Fee, the Reservation Fee and the System Fee);
- I. Second, to Manager, an amount equal to the Base Management Fee, the Reservation Fee and the System Fee;
- J. Third, to Owner, an amount equal to Owner's Priority;
- K. Fourth, *pari passu*, (i) to Owner, in an amount necessary to reimburse Owner for all Owner Working Capital Advances and Owner Operating Loss Advances (collectively, "**Owner Advances**") which have not yet been repaid pursuant to this Section 3.02, and (ii) to Manager, in an amount necessary to reimburse Manager for all Additional Manager Advances which have not yet been repaid pursuant to this Section 3.02. If at any time the amounts available for distribution to Owner and Manager pursuant to this Section 3.02 are insufficient (a) to repay all outstanding Owner Advances, and (b) all outstanding Additional Manager Advances, then Owner and Manager shall be paid from such amounts the amount obtained by multiplying a number equal to the amount of the funds available for distribution by a fraction, the numerator of which is the sum of all outstanding Owner Advances, or all outstanding Additional Manager Advances, as the case may be, and the denominator of which is the sum of all outstanding Owner Advances plus the sum of all outstanding Additional Manager Advances;
- L. Fifth, to the FF&E Reserve Account, an amount equal to the FF&E Reserve Deposit;
- M. Sixth, to Manager, an amount equal to the Incentive Management Fee; and
- N. Finally, to Owner, the Owner's Residual Payment.

3.03 Timing of Payments.

A. Payment of the Deductions, excluding the Base Management Fee, the Reservation Fee and the System Fee, shall be made in the ordinary course of business. The Base Management Fee, the Reservation Fee, the System Fee, the Owner's Priority, the FF&E Reserve Deposit, the Incentive Management Fee and the Owner's Residual Payment shall be paid on or before the twentieth (20th) day after close of each calendar month, based upon Gross Revenues or Gross Room Revenues, as the case may be, as reflected in the Monthly Statement for such month. The Owner's Priority shall be determined based upon Invested Capital most recently reported to Manager by Owner. If any installment of the Base Management Fee, the Reservation Fee, the System Fee or the Owner's Priority is not paid when due, it shall accrue interest at the Interest Rate. Calculations and payments of the FF&E Reserve Deposit, the Incentive Management Fee and/or the Owner's Residual Payment with respect to each calendar month within a calendar year shall be accounted for cumulatively based upon the year-to-date Operating Profit as reflected in the Monthly Statement for such calendar month and shall be adjusted to reflect distributions for prior calendar months in such year. Additional adjustments to all payments will be made on an annual basis based upon the Annual Operating Statement for the Year and any audit conducted pursuant to Section 4.02.B.

B. Subject to Section 3.03.C, if the portion of Gross Revenues to be distributed to Manager or Owner pursuant to Section 3.02 is insufficient to pay amounts then due in full, any amounts left unpaid shall be paid from and to the extent of Gross Revenues available therefor at the time distributions are made in successive calendar months until such amounts are paid in full, together with interest thereon, if applicable, and such payments shall be made from such available Gross Revenues in the same order of priority as other payments made on account of such items in successive calendar months.

C. Other than with respect to Reimbursable Advances, calculations and payments of the fees and other payments in Section 3.02 and distributions of Gross Revenues within a Year shall be accounted for cumulatively within a Year, but shall not be cumulative from one Year to the next. Calculations and payments of Reimbursable Advances shall be accounted for cumulatively within a Year and shall be cumulative from one Year to the next.

Article IV

ACCOUNTING, BOOKKEEPING AND BANK ACCOUNTS; WORKING CAPITAL AND OPERATING LOSSES

4.01 Accounting, Interim Payment and Annual Reconciliation.

A. Within fifteen (15) days after the close of each calendar month, Manager shall deliver an accounting (the “**Monthly Statement**”) to Owner showing Gross Revenues, Gross Room Revenues, occupancy percentage and average daily rate, Deductions, Operating Profit, and applications and distributions thereof for the preceding calendar month and year-to-date.

B. Within forty-five (45) days after the end of each Year, Manager shall deliver to Owner and Landlord a statement (the “**Annual Operating Statement**”) in reasonable detail summarizing the operations of the Hotel for the immediately preceding Year and an Officer’s Certificate setting forth the totals of Gross Revenues, Deductions, and the calculation of the Incentive Management Fee and Owner’s Residual Payment for the preceding Year and certifying that such Annual Operating Statement is true and correct. Manager and Owner shall, within ten (10) Business Days after Owner’s receipt of such statement, make any adjustments, by cash payment, in the amounts paid or retained for such Year as are required because of variances between the Monthly Statements and the Annual Operating Statement. Any payments shall be made together with interest at the Interest Rate from the date such amounts were due or paid, as the case may be, until paid or repaid. The Annual Operating Statement shall be controlling over the Monthly Statements and shall be final, subject to adjustments required as a result of an audit requested by Owner or Landlord pursuant to Section 4.02.B.

C. 1. In addition, Manager shall provide such information relating to the Hotel and public information relating to Manager and its Affiliates that (a) may be reasonably required in order for Landlord, Owner or SVC, to prepare financial statements in accordance with GAAP or to comply with applicable securities laws and regulations and the SEC’s interpretation thereof, (b) may be reasonably required for Landlord, Owner or SVC, as applicable, to prepare federal, state or local tax returns, or (c) is of the type that Manager customarily prepares for other hotel owners. The foregoing does not constitute an agreement by Manager either to join Landlord, Owner or SVC, as applicable, in a filing with or appearance before the SEC or any other regulatory authority or to take or consent to any other action which would cause Manager to be liable to any third party for any statement or information other than those statements incorporated by reference pursuant to clause (a) above.

1. Owner may at any time, and from time to time, provide copies of any of the statements furnished under this Section 4.01 to any Person which has made or is contemplating making a Mortgage, or a prospective purchaser in connection with a Sale of the Hotel, subject to such Person entering into a confidentiality agreement with Manager as Manager may reasonably require.

2. In addition, Owner or Landlord shall have the right, from time to time at Owner’s or Landlord’s as the case may be, sole cost and expense, upon reasonable notice, during Manager’s customary business hours, to cause Manager’s books and records with respect to the Hotel to be audited by auditors selected by Owner or Landlord, as applicable, at the place or places where such books and records are customarily kept.

4.02 Books and Records.

D. Books of control and account pertaining to operations at the Hotel shall be kept on the accrual basis and in all material respects in accordance with the Uniform System of Accounts and with GAAP (provided that, to the extent of a conflict, GAAP shall control over the Uniform System of Accounts), or in accordance with such industry standards or such other standards with which Manager is required to comply from time to time, with the exceptions, if any, provided in this Agreement, to the extent applicable which will accurately record the Gross Revenues and the application thereof. Manager shall retain, for at least three (3) years after the expiration of each Year, reasonably adequate records showing Gross Revenues and the application thereof for such Year. The provisions of this Section 4.02.A shall survive termination.

E. Owner and Landlord may at reasonable intervals during Manager's normal business hours, examine such books and records including, without limitation, supporting data and sales and excise tax returns. If Owner or Landlord desires, at its own expense, to audit, examine, or review the Annual Operating Statement, it shall notify Manager in writing within one (1) year after receipt of such statement of its intention to audit and begin such audit within such one (1) year after Manager's receipt of such notice. Owner or Landlord, as the case may be, shall use commercially reasonable efforts to complete such audit as soon as practicable after the commencement thereof, subject to reasonable extension if Landlord's or Owner's accountant's inability to complete the audit within such time is caused by Manager. If neither Landlord nor Owner makes such an audit, then such statement shall be deemed to be conclusively accepted by Owner as being correct, and neither Landlord nor Owner shall have any right thereafter, except in the event of fraud by Manager, to question or examine the same. If any audit by Owner or Landlord discloses an understatement or overpayment of any net amounts due Owner or Manager, Manager shall promptly after completion of the audit, render a statement to Owner and Landlord setting forth the adjustments required to be made to the distributions under Section 3.02 for such Year as a result of such audit and Owner and Manager, as the case may be, shall make any additional payments required to comply with such revised statement together with interest at the Interest Rate from the date when due or overpaid. Any dispute concerning the correctness of an audit shall be settled by arbitration. Manager shall pay the cost of any audit revealing understatement of Operating Profit by more than three percent (3%), and such amount shall not be a Deduction. The provisions of this Section 4.02.B shall survive termination.

4.03 Accounts. All funds derived from the operation of the Hotel shall be deposited by Manager in a bank account(s) in a bank designated by Manager. Withdrawals from such accounts shall be made solely by representatives of Manager whose signatures have been authorized. Reasonable petty cash shall be maintained at the Hotel.

4.04 Annual Operating Projection. Manager shall furnish to Owner for its review and comment, at least sixty (60) days prior to the beginning of each Year, a statement of the estimated financial results of the operation of the Hotel for the forthcoming Year ("**Annual Operating Projection**"). Such projection shall project the estimated Gross Revenues, Deductions, and Operating Profit. Manager agrees to make qualified personnel from Manager's staff available to explain such Annual Operating Projections, at Owner's request. Manager will at all times give good faith consideration to Owner's suggestions regarding any Annual Operating Projection. Manager shall thereafter submit to Owner, by no later than January 2nd of such Year, a modified Annual Operating Projection if any changes are made following receipt of comments from Owner. Manager shall endeavor to adhere to the Annual Operating Projection. It is understood, however, that the Annual Operating Projection is an estimate only and that unforeseen circumstances including the costs of labor, material, services and supplies, casualty, operation of law, or economic and market conditions may make adherence to the Annual Operating Projection impracticable, and Manager shall be entitled to depart therefrom due to causes of the foregoing nature; provided,

however, that nothing herein shall be deemed to authorize Manager to take any action prohibited by this Agreement or to reduce Manager's other rights or obligations hereunder.

4.05 Working Capital. On the Initial Effective Date, Owner advanced to Manager, as Working Capital, an amount equal to \$1,500 multiplied by the number of Guest Rooms. On the Effective Date, Owner agrees to advance to Manager, as Working Capital, an additional amount equal to \$500 multiplied by the number of Guest Rooms. Upon notice from Manager, Owner shall have the right, without any obligation and in its sole discretion, to advance additional funds necessary to maintain Working Capital ("**Additional Working Capital**") at levels determined by Manager to be reasonably necessary to satisfy the needs of the Hotel as its operation may from time to time require within ten (10) Business Days of such request. Any such request by Manager shall be accompanied by a reasonably detailed explanation of the reasons for the request. If Owner does not advance such Additional Working Capital, Manager shall have the right, without any obligation and in its sole discretion, to fund Additional Working Capital within ten (10) Business Days after such initial ten (10) day period. All such advances shall be Owner Working Capital Advances or Additional Manager Advances, as applicable. If neither party elects to fund Additional Working Capital, Manager may elect, by notice to Owner given within thirty (30) days thereafter, to terminate this Agreement, which termination shall be effective thirty (30) days after the date such notice is given; upon such termination, Owner shall pay Manager the Termination Fee, within sixty (60) days of the effective date of termination, as liquidated damages and in lieu of any other remedy of Manager at law or in equity, and such termination shall otherwise be in accordance with the provisions of Section 11.09.

4.06 Operating Losses. To the extent there is an Operating Loss for any calendar month, Owner shall have the right, without any obligation and in its sole discretion, to fund such Operating Loss within twenty (20) days after Manager has delivered notice thereof to Owner and any Operating Loss funded by Owner shall be a "**Owner Operating Loss Advance**." If Owner does not fund such Operating Loss, Manager shall have the right, without any obligation and in its sole discretion, to fund such Operating Loss within twenty (20) days after such initial twenty (20) day period, and any Operating Loss so funded by Manager shall be an Additional Manager Advance. If neither party elects to fund such Operating Loss, Manager may elect, by notice to Owner given within thirty (30) days thereafter, to terminate this Agreement, which termination shall be effective thirty (30) days after the date such notice is given; upon such termination, Owner shall pay Manager the Termination Fee, within sixty (60) days of the effective date of termination, as liquidated damages and in lieu of any other remedy of Manager at law or in equity and such termination shall otherwise be in accordance with the provisions of Section 11.09.

Article V

REPAIRS, MAINTENANCE AND REPLACEMENTS

5.01 Manager's Maintenance Obligation. Manager shall maintain the Hotel, including all private roadways, sidewalks and curbs located thereon, in good order and repair, reasonable wear and tear excepted, and in conformity with Legal Requirements, Insurance Requirements, System Standards and any Existing CC&Rs or Future CC&Rs. Manager shall promptly make or cause to be made all necessary and appropriate repairs, replacements, renewals, and additions thereto of every kind and nature, whether interior or exterior, structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition existing prior to the commencement of the Term. All repairs, renovations, alterations, improvements, renewals, replacements or additions shall be made in a good, workmanlike manner, consistent with Manager's and industry standards for like hotels in like locales, in accordance with all applicable federal, state and local statutes, ordinances, by-laws, codes, rules and regulations relating to any such work. Manager shall not take or omit to take any action, with respect to the Hotel the taking or omission of which would materially and adversely impair the value of the Hotel or any part thereof for its use as a hotel. The cost and expense incurred in connection with Manager's obligations

hereunder shall be paid either from Gross Revenues or Working Capital or from funds provided by Owner or Landlord, as the case may be.

5.02 Repairs and Maintenance to be Paid from Gross Revenues. Manager shall promptly make or cause to be made, such routine maintenance, repairs and minor alterations as it determines are necessary to comply with Manager's obligations under Section 5.01. The phrase "routine maintenance, repairs, and minor alterations" shall include only those which are normally expensed under GAAP. The cost of such maintenance, repairs and alterations shall be paid from Gross Revenue or Working Capital.

5.03 Repairs and Maintenance to be Paid by Owner or Landlord. To the extent funds are available in the FF&E Reserve Account or are provided by Owner or Landlord under Section 5.05, Manager shall promptly make or cause to be made, all of the items listed below as are necessary to comply with Manager's obligations under Section 5.01:

1. Replacements, renewals and additions related to the FF&E;
2. Routine or non-major repairs, renovations, renewals, additions, alterations, improvements or replacements and maintenance which are normally capitalized (as opposed to expensed) under GAAP, such as exterior and interior repainting; resurfacing building walls, floors, roofs and parking areas; and replacing folding walls and the like (but which are not major repairs, alterations, improvements, renewals, replacements, or additions to the Hotel's structure, roof, or exterior façade, or to its mechanical, electrical, heating, ventilating, air conditioning, plumbing or vertical transportation systems); and
3. Major repairs, renovations, additions, alterations, improvements, renewals or replacements to the Hotel including, without limitation, with respect to its structure, roof, or exterior façade, and to its mechanical, electrical, heating, ventilating, air conditioning, plumbing or vertical transportation systems.

In consideration for Manager's services under this Section 5.03, Manager shall receive the Procurement and Construction Supervision Fee which shall be included in related draws from the FF&E Reserve as amounts generating such fees are paid. The documentation of draws from the FF&E Reserve shall separately reflect the corresponding Procurement and Construction Supervision Fee.

5.04 FF&E Reserve Account.

- A. Manager shall establish an interest bearing account, in Owner's name, in a bank designated by Manager (and approved by Owner, such approval not to be unreasonably withheld), into which all FF&E Reserve Deposits shall be paid (the "**FF&E Reserve Account**"). Funds on deposit in the FF&E Reserve Account (the "**FF&E Reserves**") shall not be commingled with any other funds without Owner's consent.
- B. So long as no Manager Event of Default shall have occurred, the FF&E Reserves may be applied by Manager, without the consent of Owner, only to the payment of any capital expenditure in an approved Capital Estimate; provided, not more than Twenty Five Thousand Dollars (\$25,000) may be expended by Manager in a given year for any single item to be charged against any discretionary or contingency line item in a Capital Estimate without the prior written consent of Owner, which consent shall not be unreasonably withheld, conditioned or delayed.
- C. In addition to the FF&E Reserve Deposit, other than Owner's or Manager's personal property, all materials or FF&E which are scrapped or removed in connection with the making of any major or non-major repairs, renovation, additions, alterations, improvements, removals or replacements shall be disposed of by Manager and the net proceeds thereof shall be deposited into the FF&E Reserve Account and not included in Gross Revenues.

- D. Manager shall be the only Party entitled to withdraw funds from the FF&E Reserve Account unless and until a Manager Event of Default shall occur. Following the occurrence of a Manager Event of Default, Manager shall not have the right to withdraw funds from the FF&E Reserve Account without Owner's prior written consent.
- E. Upon the expiration or earlier termination of the Term, Manager shall disburse to Owner or Landlord, or as Owner or Landlord shall direct, all remaining FF&E Reserves after payments of all expenses on account of capital expenditures incurred by Manager pursuant to an approved Capital Estimate during the Term in accordance with this Agreement.

5.05 Capital Estimate.

- A. Manager shall prepare and deliver to Owner and Landlord for their review and approval, at the same time the Annual Operating Projection is submitted, an estimate for the Hotel of the capital expenditures necessary during the forthcoming Year for replacements, renewals, and additions to the FF&E of the Hotel and repairs, renovations, additions, alterations, improvements, renewals or replacements to the Hotel of the nature described in Section 5.03 (a "**Capital Estimate**"). Manager agrees to make qualified personnel from Manager's staff available to explain each Capital Estimate, at Owner's request. Failure of Owner or Landlord to approve or disapprove a Capital Estimate within twenty (20) Business Days after receipt of all information and materials requested by Owner or Landlord in connection therewith shall be deemed to constitute approval.
- B. If any dispute shall arise with respect to the approval by either Owner or Landlord of a Capital Estimate, Manager shall meet with Owner and Landlord to discuss the objections, and Manager, Owner and Landlord shall attempt in good faith to resolve any disagreement relating to the Capital Estimate. If after sixty (60) days such disagreement has not been resolved, any party may submit the issue to arbitration.
- C. If at any time the FF&E Reserves shall be insufficient to fund capital expenditures which are set forth in the approved Capital Estimate, Manager shall give Owner and Landlord written notice thereof, which notice shall not be given more often than monthly and shall set forth, in reasonable detail, the nature of the required expenditure, the estimated cost thereof (including the amount which is in excess of the then FF&E Reserves) and such other information with respect thereof as Owner or Landlord may reasonable require. Provided that no Manager Event of Default then exists, and Manager shall otherwise comply with the provisions of Section 5.06, as applicable, Owner shall, within ten (10) Business Days after such notice is given, deposit (or shall cause Landlord to deposit) into the FF&E Reserve Account such funds as are required to fund the amounts set forth in such notice and necessary to fund such capital expenditures in an approved Capital Estimate. Invested Capital shall be adjusted for funds deposited by Owner or Landlord in the FF&E Reserve Account pursuant to this Section 5.05 effective as of the date such funds are deposited.
- B. A failure or refusal by Owner or Landlord to provide the additional funds required under an approved Capital Estimate (including after resolution by arbitration, if applicable) shall entitle Manager, at its option, to notify Owner and Landlord that Manager will terminate this Agreement. If Owner or Landlord does not make the funds available within thirty (30) days after receipt of such notice of intent to terminate, Manager may, without obligation and in its sole discretion, fund all or a portion of the amounts required and any amounts funded by Manager shall constitute an Additional Manager Advance, or elect to terminate this Agreement by notice to Owner given within thirty (30) days thereafter and this Agreement shall terminate as of the date that is one hundred eighty (180) days after the date of Owner's receipt of Manager's notice; upon such termination, Owner shall pay Manager the Termination Fee, within sixty (60) days of the effective date of termination, as liquidated damages and in lieu of any other remedy of

Manager at law or in equity and such termination shall otherwise be in accordance with the provisions of Section 11.09.

5.06 Additional Requirements.

- A. All expenditures from the FF&E Reserves or other amounts funded pursuant to the Capital Estimate shall be (as to both the amount of each such expenditure and the timing thereof) both reasonable and necessary given the objective that the Hotel will be maintained and operated to a standard comparable to competitive properties and in accordance with the System Standards.
- B. Manager shall provide to Owner and Landlord within twenty (20) days after the end of each calendar month, a statement (“**Capital Statement**”) setting forth, on a line item basis, expenditures made to date and any variances or anticipated variances and/or amendments from the applicable Capital Estimate.
- C. Owner and Landlord may not withhold their approval of a Capital Estimate with respect to such items as are (1) required in order for the Hotel to comply with System Standards, except during the last two (2) years of the Term, during which time approval may be withheld in Owner’s or Landlord’s discretion; or (2) required by reason of or under any Insurance Requirement or Legal Requirement, or otherwise required for the continued safe and orderly operation of the Hotel.

5.07 Ownership of Replacements. All repairs, renovations, additions, alterations, improvements, renewals or replacements made pursuant to this Agreement and all FF&E Reserves, shall, except as otherwise provided in this Agreement, be the property of Landlord or Owner, as applicable, as provided under the Lease.

Article VI

INSURANCE, DAMAGE, CONDEMNATION, AND FORCE MAJEURE

6.01 General Insurance Requirements. Manager shall, at all times during the Term, keep (or cause to be kept) the Hotel and all property located therein or thereon, insured against the risks, including business interruption, and in such amounts as Owner and Manager shall agree and as may be commercially reasonable. Any disputes regarding such matters not resolved by the parties within ten (10) Business Days (which period may be extended upon mutual agreement of the parties) shall be resolved by arbitration.

6.02 Waiver of Subrogation. Owner and Manager agree that (insofar as and to the extent that such agreement may be effective without invalidating or making it impossible to secure insurance coverage from responsible insurance companies doing business in the State) with respect to any property loss which is covered by insurance then being carried by Owner or Manager, the party carrying such insurance and suffering said loss releases the others of and from any and all claims with respect to such loss; and they further agree that their respective insurance companies (and, if Owner or Manager shall self insure in accordance with the terms hereof, Owner or Manager, as the case may be) shall have no right of subrogation against the other on account thereof, even though extra premium may result therefrom. If any extra premium is payable by Manager as a result of this provision, Owner shall not be liable for reimbursement to Manager for such extra premium.

6.03 Risk Management. Manager shall be responsible for the provision of risk management oversight at the Hotel.

6.04 Damage and Repair.

A. If, during the Term, the Hotel shall be totally or partially destroyed and the Hotel is thereby rendered Unsuitable for Its Permitted Use, (1) Manager may terminate this Agreement by sixty (60) days notice to Owner and Landlord, or (2) Owner may terminate this Agreement by sixty (60) days notice to

Manager and Landlord, whereupon, this Agreement, shall terminate and Landlord shall be entitled to retain the insurance proceeds payable on account of such damage.

B. If, during the Term, the Hotel is damaged or destroyed by fire, casualty or other cause but is not rendered Unsuited for Its Permitted Use, subject to Sections 6.04.C and 6.04.D, Manager shall cause the Hotel to be repaired and restored, in compliance with all Legal Requirements and Insurance Requirements and so that the Hotel shall be, to the extent practicable, substantially equivalent in value and general utility to its general utility and value immediately prior to such damage or destruction and in compliance with System Standards in consideration of the Procurement and Construction Supervision Fee.

C.

1. If the cost of the repair or restoration of the Hotel is less than the sum of the amount of insurance proceeds received by Owner and Landlord plus the deductible amount, Owner shall (or shall cause Landlord to) make the funds necessary to cause the Hotel to be repaired and restored available to Manager.

2. If the amount of insurance proceeds received by Landlord and Owner plus the deductible amount, is less than the cost of the repair or restoration of the Hotel, Manager shall give notice to Owner and Landlord setting forth the deficiency in reasonable detail. Owner shall have the right, without any obligation and in its sole discretion, to fund the deficiency and shall give Manager and Landlord notice within twenty (20) days after notice from Manager. If Owner elects not to fund the deficiency, Landlord shall have the right, without obligation and in its sole discretion, to fund the deficiency and shall give Manager and Owner notice within twenty (20) days after notice from Owner. If neither Landlord nor Owner elect to fund the deficiency, this Agreement shall terminate and Landlord shall be entitled to retain the insurance proceeds payable on account of such damage.

D. If Owner is required or if Owner or Landlord elects to make the funds necessary to cause the Hotel to be repaired and restored available to Manager, Owner shall (or shall cause Landlord to) advance the insurance proceeds and any additional amounts payable by Owner or Landlord to Manager regularly during the repair and restoration period. Any such advances shall be made not more frequently than monthly within ten (10) Business Days after Manager submits to Owner a written requisition and substantiation therefor on AIA Forms G702 and G703 (or on such other form or forms as may be reasonably acceptable to Owner and Landlord). Owner or Landlord may condition advancement of the insurance proceeds and other amounts on (i) the absence of an event of default under the Lease, (ii) approval of plans and specifications of an architect satisfactory to Landlord and Owner (which approval shall not be unreasonably withheld or delayed), (iii) general contractors' estimates, (iv) architect's certificates, (v) unconditional lien waivers of general contractors, if available, (vi) evidence of approval by all governmental authorities and other regulatory bodies whose approval is required and (vii) such other certificates as Landlord and Owner may, from time to time, reasonably require.

E. All business interruption insurance proceeds shall be paid to Manager and included in Gross Revenues. Any casualty which does not result in a termination of this Agreement shall not excuse the payment of sums due to Owner hereunder.

F. Manager hereby waives any statutory rights of termination which may arise by reason of any damage to or destruction of the Hotel.

6.05 Damage Near End of Term. Notwithstanding any provisions of Section 6.04 to the contrary, if damage to or destruction of the Hotel occurs during the last twelve (12) months of the Term (including any exercised Renewal Term) and if such damage or destruction cannot reasonably be expected to be fully repaired and restored prior to the date that is nine (9) months prior to the end of the Term (including any

exercised Renewal Term), the provisions of Section 6.04.A shall apply as if the Hotel had been totally or partially destroyed and rendered Unsuitable for Its Permitted Use.

6.06 Condemnation. If, during the Term, either the whole of the Hotel shall be taken by Condemnation, or a partial Condemnation renders the Hotel Unsuitable for Its Permitted Use, this Agreement shall terminate and Owner and Landlord shall seek the Award for their interests in the Hotel as provided in the Lease. In addition, Manager shall have the right to initiate such proceedings as it deems advisable to recover any damages to which Manager may be entitled; provided, however, that Manager shall be entitled to retain any Award it may obtain through such proceedings which are conducted separately from those of Owner and Landlord only if such Award does not reduce the Award otherwise available to Owner and Landlord. Any Award received by any Mortgagee under a Mortgage on the Hotel shall be deemed to be an award of compensation received by Landlord.

6.07 Partial Condemnation. If, during the Term, there is a partial Condemnation but the Hotel is not rendered Unsuitable for Its Permitted Use, subject to Section 6.07.A and 6.07.B, Manager shall cause the untaken portion of the Hotel to be repaired and restored, in compliance with all Legal Requirements and Insurance Requirements and so that the untaken portion of the Hotel shall constitute a complete architectural unit of the same general character and condition, to the extent practicable, as the Hotel immediately prior to such partial Condemnation and in compliance with System Standards in consideration of the Procurement and Construction Supervision Fee.

G. If the amount of the Award is less than the cost of the repair and restoration of the Hotel, Manager shall give notice to Owner and Landlord setting forth the deficiency in reasonable detail. Owner shall have the right without any obligation and in its sole discretion, to fund the deficiency and shall give Manager and Landlord notice within twenty (20) days after notice from Manager. If Owner elects not to fund the deficiency, Landlord shall have the right without obligation and in its sole discretion, to fund the deficiency and shall give Manager and Owner notice within twenty (20) days after notice from Owner. If neither Landlord nor Owner elect to fund the deficiency, this Agreement shall terminate and Owner and Landlord shall be entitled to retain the Award.

H. If Owner or Landlord elects to make the funds necessary to cause the Hotel to be repaired and restored available to Manager, Owner shall (or shall cause Landlord to) advance the Award and any additional amounts payable by Owner or Landlord to Manager regularly during the repair and restoration period. Any such advances shall be made not more frequently than monthly within ten (10) Business Days after Manager submits to Owner a written requisition and substantiation therefor on AIA Forms G702 and G703 (or on such other form or forms as may be reasonably acceptable to Owner and Landlord). Owner or Landlord may condition advancement of the insurance proceeds and other amounts on (i) the absence of an event of default under the Lease, (ii) approval of plans and specifications of an architect satisfactory to Landlord and Owner (which approval shall not be unreasonably withheld or delayed), (iii) general contractors' estimates, (iv) architect's certificates, (v) unconditional lien waivers of general contractors, if available, (vi) evidence of approval by all governmental authorities and other regulatory bodies whose approval is required and (vii) such other certificates as Landlord and Owner may, from time to time, reasonably require.

6.08 Temporary Condemnation. In the event of any temporary Condemnation of the Hotel or Owner's interest therein, this Agreement shall continue in full force and effect. The entire amount of any Award made for such temporary Condemnation allocable to the Term, whether paid by way of damages, rent or otherwise, shall be paid to Manager and shall constitute Gross Revenues. A Condemnation shall be deemed to be temporary if the period of such Condemnation is not expected to, and does not, exceed twelve (12) months.

6.09 Allocation of Award. Except as provided in Sections 6.06, 6.08 and this Section 6.09, the total Award shall be solely the property of and payable to Landlord. Any portion of the Award made for the taking of Owner's leasehold interest in the Hotel, loss of business, the taking of Owner's Personal Property, or Owner's removal and relocation expenses shall be the sole property of, and payable to, Owner. Any portion of the Award made for the taking of Manager's interest in the Hotel or Manager's loss of business during the remainder of the Term shall be the sole property of, and payable to, Manager, subject to the provisions of Section 6.06. In any Condemnation proceedings, Landlord, Owner, and Manager shall each seek its own Award in conformity herewith, at its own expense.

6.10 Effect of Condemnation. Any Condemnation which does not result in a termination of this Agreement in accordance with its terms with respect to the Hotel shall not excuse the payment of sums due to Owner hereunder with respect to the Hotel and this Agreement shall remain in full force and effect.

Article VII

TAXES

7.01 Real Estate and Personal Property Taxes.

A. Subject to Section 11.18 relating to permitted contests, Manager shall pay, from Gross Revenues, all Impositions with respect to the Hotel, before any fine, penalty, interest or cost (other than any opportunity cost as a result of a failure to take advantage of any discount for early payment) may be added for non-payment, such payments to be made directly to the taxing authorities where feasible, and shall promptly, upon request, furnish to Landlord and Owner copies of official receipts or other reasonably satisfactory proof evidencing such payments. If any such Imposition may, at the option of the taxpayer, lawfully be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Manager may exercise the option to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments and, in such event, shall pay such installments during the Term as the same become due and before any fine, penalty, premium, further interest or cost may be added thereto. Manager shall, upon request, provide such data as is maintained by Manager with respect to the Hotel as may be necessary to prepare any required returns and reports by Owner or Landlord.

Owner shall give, and will use reasonable efforts to cause Landlord to give, copies of official tax bills and assessments which it may receive with respect to the Hotel and prompt notice to Owner and Manager of all Impositions payable by Owner under the Lease of which Owner or Landlord, as the case may be, at any time has knowledge; provided, however, that Landlord's or Owner's failure to give any such notice shall in no way diminish Manager's obligation hereunder to pay such Impositions (except that Owner or Landlord, as applicable, shall be responsible for any interest or penalties incurred as a result of Landlord's or Owner's, as applicable, failure promptly to forward the same).

B. Notwithstanding anything herein to the contrary, each of Owner and Manager shall pay from its own funds (and not from Gross Revenues of the Hotel) any franchise, corporate, estate, inheritance, succession, capital levy or transfer tax imposed on Owner or Manager, as applicable, or any income tax imposed (but not gross receipt or general excise taxes) on any income of Owner or Manager (including distributions pursuant to Article III).

Article VIII
OWNERSHIP OF THE HOTEL

8.01 Ownership of the Hotel.

A. Owner and Landlord hereby covenant that neither will hereafter impose or consent to the imposition of any liens, encumbrances or other charges, except as follows:

1. easements or other encumbrances that do not adversely affect the operation of the Hotel by Manager and that are not prohibited pursuant to Section 8.02;
2. Mortgages and related security instruments;
3. liens for taxes, assessments, levies or other public charges not yet due or due but not yet payable; or
4. equipment leases for office equipment, telephone, motor vehicles and other property approved by Manager.

B. Subject to liens permitted by Section 8.01.A, Owner and Landlord covenant that, so long as there then exists no Manager Event of Default, Manager shall quietly hold, occupy and enjoy the Hotel throughout the Term free from hindrance, ejection or molestation by Owner or Landlord or other party claiming under, through or by right of Owner or Landlord. Owner agrees to pay and discharge any payments and charges and, at its expense, to prosecute all appropriate actions, judicial or otherwise, necessary to assure such free and quiet occupation as set forth in the preceding sentence.

8.02 No Covenants, Conditions or Restrictions.

C. Owner and Landlord agree that during the Term, any covenants, conditions or restrictions, including reciprocal easement agreements or cost-sharing arrangements affecting the Site or Hotel (collectively “**Future CC&Rs**”) which would (i) prohibit or limit Manager from operating the Hotel in accordance with System Standards, including related amenities of the Hotel; (ii) allow the Hotel facilities (for example, parking spaces) to be used by persons other than guests, invitees or employees of the Hotel; (iii) allow the Hotel facilities to be used for specified charges or rates that have not been approved by Manager; or (iv) subject the Hotel to exclusive arrangements regarding food and beverage operation or retail merchandise, will not be entered into unless Manager has given its prior written consent thereto, which consent shall not be unreasonably withheld, conditioned or delayed. Manager hereby consents to any easements, covenants, conditions or restrictions, including without limitation any reciprocal easement agreements or cost-sharing agreements, existing as of the Initial Effective Date (collectively, the “**Existing CC&Rs**”).

D. All financial obligations imposed on Owner or on the Hotel pursuant to any Future CC&Rs for which Manager’s consent was required under Section 8.02.A, but not obtained, shall be paid by Owner.

E. Manager shall manage, operate, maintain and repair the Hotel in compliance with all obligations imposed on Owner, Landlord or the Hotel pursuant to any Existing CC&Rs or Future CC&Rs (unless Manager’s consent was required under Section 8.02.A, but not obtained) to the extent such Existing CC&Rs and Future CC&Rs relate to the management, operation, maintenance and repair of the Hotel.

8.03 Liens; Credit. Manager and Owner shall use commercially reasonable efforts to prevent any liens from being filed against the Hotel which arise from any maintenance, repairs, alterations, improvements, renewals or replacements in or to the Hotel. Manager and Owner shall cooperate, and Owner shall cause

Landlord to cooperate, in obtaining the release of any such liens. In no event shall any party borrow money in the name of, or pledge the credit of, any other party. Manager shall not allow any lien to exist with respect to its interest in this Agreement.

Subject to encumbrances permitted under Section 8.01, Manager shall not, to the extent funds to pay the same are available or provided on a timely basis as required hereunder, directly or indirectly, create or allow to remain and shall promptly discharge any lien, encumbrance, attachment, title retention agreement or claim upon the Hotel, except (a) existing liens for those taxes of Landlord which Manager is not required to pay hereunder, (b) liens for Impositions or for sums resulting from noncompliance with Legal Requirements so long as (i) the same are not yet due and payable, or (ii) are being contested in accordance with Section 11.18, (c) liens of mechanics, laborers, materialmen, suppliers or vendors incurred in the ordinary course of business that are not yet due and payable or are for sums that are being contested in accordance with Section 11.18 and (d) any Mortgages or other liens which are the responsibility of Landlord.

8.04 Financing. Landlord shall be entitled to encumber the Hotel with a Mortgage on commercially reasonable terms and in such event, Landlord, Owner and Manager shall be required to execute and Landlord agrees to require Mortgagee to execute and deliver an instrument (a “**Subordination Agreement**”) which shall be recorded in the jurisdiction where the Hotel is located, which provides:

(i) This Agreement and any extensions, renewals, replacements or modifications thereto, and all right and interest of Manager in and to the Hotel, shall be subject and subordinate to the Mortgage; and

(ii) If there is a foreclosure of the Mortgage in connection with which title or possession of such Hotel is transferred to the Mortgagee (or its designee) or to a purchaser at foreclosure or to a subsequent purchaser from the Mortgagee (or from its designee) (each of the foregoing, a “**Subsequent Holder**”), Manager shall not be disturbed in its rights under this Agreement, so long as (a) no Manager Event of Default (beyond the applicable notice and cure period, if any) has occurred thereunder which entitles Owner to terminate this Agreement, and (b) the Lease has not been terminated as a result of a monetary default which arises from acts or failure to act by Manager pursuant to this Agreement, provided, however, that such Subsequent Holder shall not be (a) liable in any way to Manager for any act or omission, neglect or default of the prior Landlord or Owner (b) responsible for any monies owing or on deposit with any prior Landlord or Owner to the credit of Manager (except to the extent actually paid or delivered to such Subsequent Holder), (c) subject to any counterclaim or setoff which theretofore accrued to Manager against any prior Landlord or Owner, (d) bound by any modification of this Agreement subsequent to such Mortgage which was not approved by the Mortgagee, (e) liable to Manager or beyond such Subsequent Holder’s interest in the Hotel and the rents, income, receipts, revenues, issues and profits issuing from the Hotel, or (f) required to remove any Person occupying the Hotel or any part thereof, except if such person claims by, through or under such Subsequent Holder. If the Lease is terminated as a result of a non-monetary default which was not caused by Manager Event of Default pursuant to the terms of this Agreement or such Subsequent Holder succeeds to the interest of Owner thereunder, the Mortgagee or Subsequent Holder, as applicable, and Manager shall agree that the Hotel will continue to be subject to this Agreement (but neither the Mortgagee nor Subsequent Holder will not be responsible to pay past due amounts hereunder).

Article IX

DEFAULTS

9.01 Manager Events of Default. Each of the following shall constitute a “**Manager Event of Default**”:

- A. The filing by Manager of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law, or the admission by Manager that it is unable to pay its debts as they become due, or the institution of any proceeding by Manager for its dissolution or termination.
- B. The consent by Manager to an involuntary petition in bankruptcy or the failure to vacate, within ninety (90) days from the date of entry thereof, any order approving an involuntary petition by Manager.
- C. The entering of an order, judgment or decree by any court of competent jurisdiction, on the application of a creditor, adjudicating Manager as bankrupt or insolvent or approving a petition seeking reorganization or appointing a receiver, trustee, or liquidator of all or a substantial part of Manager’s assets, and such order, judgment or decree’s continuing unstayed and in effect for an aggregate of sixty (60) days (whether or not consecutive).
- D. At Owner’s election, the failure of Manager to make any payment required to be made in accordance with the terms of this Agreement, on or before the date due which failure continues for five (5) Business Days after notice from Owner.
- E. At Owner’s election, the failure of Manager to perform, keep or fulfill any of the other covenants, undertakings, obligations or conditions set forth in this Agreement, on or before the date required for the same, which failure continues for thirty (30) days after notice from Owner, or, if the Manager Event of Default is susceptible of cure, but such cure cannot be accomplished within such thirty (30) day period, if Manager fails to commence the cure of such Manager Event of Default within fifteen (15) days of such notice or thereafter fails to diligently pursue such efforts to completion, provided in no event shall such additional time exceed ninety (90) days.
- F. At Owner’s election, the failure of Manager to maintain insurance coverages required to be maintained by Manager under Article VI, which failure continues for five (5) Business Days after notice from Owner (except that no notice shall be required if any such insurance coverage shall have lapsed).

9.02 Remedies for Manager Events of Default.

- G. In the event of a Manager Event of Default, Owner shall have the right to: (1) terminate this Agreement by notice to Manager, which termination shall be effective as of the date set forth in the notice, which shall be at least thirty (30) days after the date of the notice; (2) institute any and all proceedings permitted by law or equity, including, without limitation, actions for specific performance and/or damages; or (3) avail itself of any remedy described in this Section 9.02.
- H. None of (i) the termination of this Agreement in connection with a Manager Event of Default, (ii) the repossession of the Hotel or any portion thereof, (iii) the failure of Owner to engage a replacement manager, nor (iv) the engagement of any replacement manager for all or any portion of the Hotel, shall relieve Manager of its liability and obligations hereunder, all of which shall survive any such termination, repossession or engagement. In the event of any termination of this Agreement as a result of a Manager Event of Default, Manager shall forthwith pay to Owner all amounts due and payable through and including the date of such termination. Thereafter, Manager shall be liable to Owner for, and shall pay to Owner, as current damages, the amounts which Owner would have received hereunder for the remainder of the Term (including any Renewal Terms) had such termination not occurred, less the net amounts, if any, received from a replacement manager, after deducting all reasonable expenses in

connection with engaging such replacement, including, all repossession costs, brokerage commissions, legal expenses, attorneys' fees, advertising, expenses of employees, alteration costs and expenses of preparation for such engagement and in the case of Owner's Priority and Owner's Residual Payment, calculated based upon the average of each of such payments made in each of the three (3) calendar years ended prior to the date of termination. Manager shall pay such current damages to Owner as soon after the end of each calendar month as practicable to determine the amounts.

I. At any time after such termination, whether or not Owner shall have collected any amounts owing and due up to and including the date of termination of this Agreement, as liquidated final damages and in lieu of Owner's right to receive any other damages due to the termination of this Agreement, at Owner's election, Manager shall pay to Owner an amount equal to the present value of the payments which have been made to Owner between the date of termination and the scheduled expiration of the Term (including any Renewal Terms) as Owner's Priority and the Owner's Residual Payment if this Agreement had not been terminated, calculated based upon the average of each of such payments made in each of the three (3) calendar years ended prior to the date of termination, discounted at an annual rate equal to the Discount Rate. Nothing contained in this Agreement shall, however, limit or prejudice the right of Owner to prove and obtain in proceedings for bankruptcy or insolvency an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater than, equal to, or less than the amount of the loss or damages referred to above.

J. In case of any Manager Event of Default resulting in Manager being obligated to vacate the Hotel, Owner may (i) engage a replacement manager for the Hotel or any part or parts thereof, either in the name of Owner or otherwise, for a term or terms which may at Owner's option, be equal to, less than or exceed the period which would otherwise have constituted the balance of the Term (including any Renewal Terms) and may grant concessions or other accommodations to the extent that Owner reasonably considers advisable and necessary to engage such replacement manager(s), and (ii) may make such reasonable alterations, repairs and decorations in the Hotel or any portion thereof as Owner, in its sole and absolute discretion, considers advisable and necessary for the purpose of engaging a replacement manager for the Hotel; and the making of such alterations, repairs and decorations shall not operate or be construed to release Manager from liability hereunder. Subject to the last sentence of this paragraph, Owner shall in no event be liable in any way whatsoever for any failure to engage a replacement manager for the Hotel, or, in the event a replacement manager is engaged, for failure to collect amounts due Owner. To the maximum extent permitted by law, Manager hereby expressly waives any and all rights of redemption granted under any present or future laws in the event of Manager being evicted or dispossessed, or in the event of Owner obtaining possession of the Hotel, by reason of the occurrence and continuation of a Manager Event of Default hereunder. Owner covenants and agrees, in the event of any termination of this Agreement as a result of a Manager Event of Default, to use reasonable efforts to mitigate its damages.

K. Any payments received by Owner under any of the provisions of this Agreement during the existence or continuance of a Manager Event of Default shall be applied to Manager's current and past due obligations under this Agreement in such order as Owner may determine or as may be prescribed by applicable law.

L. If a Manager Event of Default shall have occurred and be continuing, Owner, after notice to Manager (which notice shall not be required if Owner shall reasonably determine immediate action is necessary to protect person or property), without waiving or releasing any obligation of Manager and without waiving or releasing any Manager Event of Default, may (but shall not be obligated to), at any time thereafter, make such payment or perform such act for the account and at the expense of Manager, and may, to the maximum extent permitted by law, enter upon the Hotel or any portion thereof for such purpose and take all such action thereon as, in Owner's sole and absolute discretion, may be necessary or

appropriate therefor. No such entry shall be deemed an eviction of Manager or result in the termination hereof. All reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Owner in connection therewith, together with interest thereon (to the extent permitted by law) at the Overdue Rate from the date such sums are paid by Owner until repaid, shall be paid by Manager to Owner, on demand.

9.03 Owner Events of Default. Each of the following shall constitute an “**Owner Event of Default**” to the extent permitted by applicable law:

M. The filing by Owner or SVC of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law, or the admission by Owner that it is unable to pay its debts as they become due, or the institution of any proceeding by Owner for its dissolution or termination.

N. The consent by Owner or SVC to an involuntary petition in bankruptcy or the failure to vacate, within ninety (90) days from the date of entry thereof, any order approving an involuntary petition by Owner.

O. The entering of an order, judgment or decree by any court of competent jurisdiction, on the application of a creditor, adjudicating Owner or SVC as bankrupt or insolvent or approving a petition seeking reorganization or appointing a receiver, trustee, or liquidator of all or a substantial part of Owner's or SVC's assets, and such order, judgment or decree's continuing unstayed and in effect for an aggregate of sixty (60) days (whether or not consecutive).

P. At Manager's option, the failure of Owner to make any payment required to be made in accordance with the terms of this Agreement on or before the due date which failure continues for five (5) Business Days after notice from Manager.

Q. At Manager's option, the failure of Owner to perform, keep or fulfill any of the other covenants, undertakings, obligations or conditions set forth in this Agreement which failure continues for thirty (30) days after notice from Manager, or, if the Owner Event of Default is susceptible of cure, but such cure cannot be accomplished within such thirty (30) day period, if Owner fails to commence the cure of such Owner Event of Default within fifteen (15) days of such notice or thereafter fails to diligently pursue such efforts to completion, provided that in no event shall such additional time exceed ninety (90) days.

R. The occurrence of an event of default beyond any applicable notice and cure period under any obligation, agreement, instrument or document which is secured in whole or in part by Owner's or Landlord's interest in the Hotel or the acceleration of the indebtedness secured thereby or the commencement of a foreclosure thereunder.

9.04 Remedies for Owner Events of Default.

S. In the event of an Owner Event of Default, Manager shall have the right to institute any and all proceedings permitted by law or equity, including, without limitation, actions for specific performance and/or damages, provided except as expressly provided in this Agreement, Manager shall have no right to terminate this Agreement by reason of an Owner Event of Default.

T. Upon the occurrence of an Owner Event of Default pursuant to any of Sections 9.03.A, 9.03.B or 9.03.C, or which arises with respect to a violation by Owner or Landlord of Section 10.02 with respect to a Sale of the Hotel, Manager shall have, in addition to all other rights and remedies provided for herein, the right to terminate this Agreement by notice to Owner, which termination shall be effective as of the date set forth in the notice, which shall be at least thirty (30) days after the date of the notice. At any time after such termination, whether or not Manager shall have collected any amounts owing and due up to and including the date of termination of this Agreement, as liquidated final damages and in lieu of

Manager's right to receive any other damages due to the termination of this Agreement, at Manager's election, Owner shall pay to Manager the Termination Fee. Nothing contained in this Agreement shall, however, limit or prejudice the right of Manager to prove and obtain in proceedings for bankruptcy or insolvency an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater than, equal to, or less than the amount of the loss or damages referred to above.

Article X

ASSIGNMENT AND SALE

10.01 Assignment.

A. Except as provided in Section 10.01.B, Manager shall not assign, mortgage, pledge, hypothecate or otherwise transfer its interest in all or any portion of this Agreement or any rights arising under this Agreement or suffer or permit such interests or rights to be assigned, transferred, mortgaged, pledged, hypothecated or encumbered, in whole or in part, whether voluntarily, involuntarily or by operation of law, or permit the use or operation of the Hotel by anyone other than Manager or Owner. For the purposes of this Section 10.01, an assignment of this Agreement shall be deemed to include a Change of Control.

B. Notwithstanding Section 10.01.A, Manager shall have the right, without Owner's consent, to:

1. assign this Agreement (whether directly or pursuant to the direct or indirect transfer of interests in Manager) in connection with the sale of all or substantially all of the business and assets of Manager to a third party; provided such third party assumes in writing the obligations of Manager under this Agreement;

2. assign this Agreement as a result of a Change of Control arising as a result of a transfer or issuance of capital stock of Sonesta Holdco permitted by the Stockholders Agreement;

3. assign this Agreement to a Subsidiary of Manager; provided such Subsidiary assumes in writing the obligations of Manager under this Agreement; and

4. sublease or grant concessions or licenses to shops or any other space at the Hotel so long as the terms of any such subleases or concessions do not exceed the Term, provided that (a) such subleases or concessions are for newsstand, gift shop, parking garage, health club, restaurant, bar, commissary, retail, office or rooftop antenna purposes or similar concessions or uses, (b) such subleases are on commercially reasonable terms, and (c) such subleases or concessions will not violate or affect any Legal Requirement or Insurance Requirement, and Manager shall obtain or cause the subtenant to obtain such additional insurance coverage applicable to the activities to be conducted in such subleased space as Landlord and any Mortgagee may reasonably require.

C. Notwithstanding Section 10.01.B, Manager may not assign, mortgage, pledge, hypothecate or otherwise transfer its interest in all or any portion of this Agreement to any Person (or any Affiliate of any Person) who (a) does not have sufficient experience to fulfill Manager's obligations with respect to the Hotel under this Agreement, (b) is known in the community as being of bad moral character, or has been convicted of a felony in any state or federal court, or is in control of or controlled by Persons who have been convicted of felonies in any state or federal court; or (c) is, or has an Affiliate that is, a Specially Designated National or Blocked Person.

D. Owner shall not assign or transfer its interest in this Agreement without the prior written consent of Manager; provided, however, that Owner shall have the right, without such consent to (1)

assign its interest in this Agreement in connection with a Sale of the Hotel which complies with the provisions of Section 10.02, (2) assign its interest hereunder to Landlord or an Affiliate of Landlord under the terms of the Lease, (3) assign its interest hereunder to Manager or an Affiliate of Manager, and (4) assign its interest hereunder to an Affiliate of Owner in a corporate restructuring of Owner or any of its Affiliates, provided such Affiliate satisfies the criteria of Section 10.02.A.

E. If either party consents to an assignment of this Agreement by the other, no further assignment shall be made without the express consent in writing of such party, unless such assignment may otherwise be made without such consent pursuant to the terms of this Agreement. An assignment by Owner of its interest in this Agreement approved or permitted pursuant to the terms hereof shall relieve Owner from its obligations under this Agreement arising from and after the effective date of such assignment. An assignment by Manager of its interest in this Agreement shall not relieve Manager from its obligations under this Agreement unless such assignment occurs in the context of a sale of all or substantially all of the business of Manager and which is otherwise permitted or approved, if required, pursuant to this Agreement, in which event Manager shall be relieved from such obligations arising from and after the effective date of such assignment.

10.02 Sale of the Hotel.

A. Neither Owner nor Landlord shall enter into any Sale of the Hotel to any Person (or any Affiliate of any Person) who (a) does not have sufficient financial resources and liquidity to fulfill Owner's obligations with respect to the Hotel under this Agreement, or Landlord's obligations under the Lease, as the case may be, (b) is known in the community as being of bad moral character, or has been convicted of a felony in any state or federal court, or is in control of or controlled by Persons who have been convicted of felonies in any state or federal court; (c) fails to expressly assume in writing the obligations of Owner hereunder or Landlord obligations under the Lease, as the case may be, or (d) is, or has an Affiliate that is, a Specially Designated National or Blocked Person.

B. In connection with any Sale of a Hotel, Manager and the purchaser or its Owner shall enter into a new management agreement, which new management agreement will be on all of the terms and conditions of this except that the Initial Term and Renewal Term(s) of any such new management agreement shall consist only of the balance of the Initial Term and Renewal Term(s) remaining under this Agreement at the time of execution of such new management agreement. Such new management agreement shall be executed by Manager and such new Owner at the time of closing of a Sale of the Hotel, and a memorandum of such new management agreement shall be executed by the parties and recorded immediately following recording of the deed or memorandum of lease or assignment and prior to recordation of any other documents.

10.03 Amendment of the Lease. The Lease shall not be amended or modified in any way which would materially reduce Manager's rights hereunder or impose any material cost, expense or obligation on Manager.

Article XI

MISCELLANEOUS

11.01 Right to Make Agreement. Each party warrants, with respect to itself, that neither the execution of this Agreement nor the finalization of the transactions contemplated hereby shall violate any provision of law or judgment, writ, injunction, order or decree of any court or governmental authority having jurisdiction over it; result in or constitute a breach or default under any indenture, contract, other commitment or restriction to which it is a party or by which it is bound; or require any consent, vote or

approval which has not been taken, or at the time of the transaction involved shall not have been given or taken. Each party covenants that it has and will continue to have throughout the Term, the full right to enter into this Agreement and perform its obligations hereunder.

11.02 Actions By Manager. Manager covenants and agrees that it shall not take any action which would be binding upon Owner or Landlord except to the extent it is permitted to do so pursuant to the terms of this Agreement.

11.03 Relationship. In the performance of this Agreement, Manager shall act solely as an independent contractor. Neither this Agreement nor any agreements, instruments, documents or transactions contemplated hereby shall in any respect be interpreted, deemed or construed as making Manager a partner, joint venturer with, or agent of, Owner. Owner and Manager agree that neither party will make any contrary assertion, claim or counterclaim in any action, suit, arbitration or other legal proceedings involving Owner and Manager. Nothing contained herein is intended to, nor shall be construed as, creating any landlord-tenant relationship between Manager and Owner or between Manager and Landlord. Each of Manager and Owner shall prepare and shall cause their Affiliates to prepare their financial statements and tax returns consistent with the foregoing characterization.

11.04 Applicable Law. The Agreement shall be construed under and shall be governed by the laws of the State of Maryland, without regard to its "choice of law" rules.

11.05 Notices. Notices, statements and other communications to be given under the terms of the Agreement shall be in writing and delivered by hand against receipt or sent by Express Mail service or by nationally recognized overnight delivery service, addressed to the parties as follows:

To Owner: Cambridge TRS, Inc.

Two Newton Place
255 Washington Street, Suite 300
Newton, Massachusetts 02458
Attn: President
Phone: (617) 964-8389
Fax: (617) 969-5730

To Manager: Sonesta International Hotels Corporation

Two Newton Place
255 Washington Street
Newton, Massachusetts 02458
Attn: President
Phone: (617) 421-5400
Fax: (617) 928-1305

or at such other address as is from time to time designated by the party receiving the notice. Any such notice that is given in accordance herewith shall be deemed received when delivery is received or refused, as the case may be. Additionally, notices may be given by facsimile transmission, provided that a hard copy of the transmission shall be delivered to the addressee by nationally recognized overnight delivery

service by no later than the second (2nd) Business Day following such transmission. Facsimiles shall be deemed delivered on the date of such transmission, if sent on a Business Day and received during the receiving party's normal business hours or, if not received during the receiving party's normal business hours, then on the next succeeding Business Day.

11.06 Environmental Matters.

A. Subject to Section 11.06.D, during the Term or at any other time while Manager is in possession of the Hotel, (1) Manager shall not store, spill upon, generate, dispose of or transfer to or from the Hotel any Hazardous Substance, except in compliance with all Legal Requirements, (2) Manager shall maintain the Hotel at all times free of any Hazardous Substance (except in compliance with all Legal Requirements), and (3) Manager (a) upon receipt of notice or knowledge shall promptly notify Owner and Landlord in writing of any material change in the nature or extent of Hazardous Substances at the Hotel, (b) shall file and transmit to Owner and Landlord a copy of any Community Right to Know or similar report or notice which is required to be filed by Manager with respect to the Hotel pursuant to Title III of the Superfund Amendments and Reauthorization Act of 1986 or any other Legal Requirements, (c) shall transmit to Owner and Landlord copies of any citations, orders, notices or other governmental communications received by Manager with respect to Hazardous Substances or environmental compliance (collectively, "**Environmental Notice**"), which Environmental Notice requires a written response or any action to be taken and/or if such Environmental Notice gives notice of and/or presents a material risk of any material violation of any Legal Requirement and/or presents a material risk of any material cost, expense, loss or damage (an "**Environmental Obligation**"), (d) shall observe and comply with all Legal Requirements relating to the use, maintenance and disposal of Hazardous Substances and all orders or directives from any official, court or agency of competent jurisdiction relating to the use, maintenance or disposal or requiring the removal, treatment, containment or other disposition of Hazardous Substances, and (e) shall pay or otherwise dispose of any fine, charge or Imposition related thereto, unless Owner or Manager shall contest the same in good faith and by appropriate proceedings and the right to use and the value of the Hotel are not materially and adversely affected thereby.

B. In the event of the discovery of Hazardous Substances other than those maintained in accordance with Legal Requirements on any portion of any Site or in the Hotel during the Term, Manager shall promptly (i) clean up and remove from and about the Hotel all Hazardous Substances thereon in accordance with all applicable Environmental Laws (as defined below), (ii) contain and prevent any further release or threat of release of Hazardous Substances on or about the Hotel, and (iii) use good faith efforts to eliminate any further release or threat of release of Hazardous Substances on or about the Hotel, and (iv) otherwise effect a remediation of the problem in accordance with all applicable federal, state and local statutes, laws, rules and regulations (now or hereafter in effect) dealing with the use, generation, treatment, storage, release, disposal, remediation or abatement of Hazardous Substances (collectively referred to as "**Environmental Laws**").

C. The actual costs incurred or the estimated costs to be incurred with respect to any matter arising under Section 11.06.B together with any costs incurred by Owner with respect to any judgment or settlement approved by Manager (such approval not to be unreasonably withheld, conditioned or delayed with respect to any third-party claims including, without limitation, claims by Landlord arising under the Lease) relating to claims arising from the release or threat of release of Hazardous Substances on or about any of the Hotels (including reasonable attorneys' and consultants' fees incurred with respect to such matters) are collectively referred to as "**Environmental Costs**."

D. All Environmental Costs shall be deemed repairs and maintenance under Section 5.02 or 5.03 and paid as provided therein, as applicable, for the Hotel; provided, however, that if any of the foregoing costs arise as a result of the gross negligence or willful misconduct of Manager or any employee of Manager, such costs shall be paid by Manager at its sole cost and expense and not as a

Deduction, and Manager shall indemnify Owner for any loss, cost, claim or expense (including reasonable attorneys' fees) incurred by Owner in connection therewith. The provisions of this Section 11.06.D shall survive termination.

11.07 Confidentiality. The parties hereto agree that the matters set forth in this Agreement are strictly confidential and each party will make every effort to ensure that the information is not disclosed to any outside person or entities (including the press) without the prior written consent of the other party except as may be appropriate or required by law, including the rules and regulations of the SEC or any stock exchange applicable to Owner or its Affiliates, in any report, prospectus or other filing made by Owner or its Affiliates with the SEC or any such stock exchange, or in a press release issued by a party or its Affiliates which is consistent with its investor relations program conducted in the ordinary course, and as may be reasonably necessary to obtain licenses, permits, and other public approvals necessary for the refurbishment or operation of the Hotel, or, subject to Section 4.01.C(2), in connection with financing or proposed financing of the Hotel, a Sale of the Hotel, or a sale of a Controlling Interest in Owner.

11.08 Projections. Owner acknowledges that any written or oral projections, pro formas, or other similar information that has been, prior to execution of this Agreement, or will, during the Term, be provided by Manager, or any Affiliate to Owner is for information purposes only and that Manager and any such Affiliate do not guarantee that the Hotel will achieve the results set forth in any such projections, pro formas, or other similar information. Any such projections, pro formas, or other similar information are based on assumptions and estimates, and unanticipated events may occur subsequent to the date of preparation of such projections, pro formas, and other similar information. Therefore, the actual results achieved by the Hotel are likely to vary from the estimates contained in any such projections, pro formas, or other similar information and such variations might be material.

11.09 Actions to be Taken Upon Termination. Upon termination of this Agreement:

E. Manager shall, within ninety (90) days after termination of this Agreement, prepare and deliver to Owner a final accounting statement ("**Final Statement**") with respect to the Hotel, consistent with the Annual Operating Statement, along with a statement of any sums due Manager as of the date of termination. Within thirty (30) days of the receipt by Owner of such Final Statement, the parties will make any adjustments, by cash payment, in the amounts paid or retained as are needed because of the figures set forth in the Final Statement. Any payments shall be made together with interest at the Interest Rate from the date such amounts were due or paid, as the case may be, until paid or repaid. If any dispute shall arise with respect to the Final Statement which cannot be resolved by the parties within the thirty (30) day period, it shall be settled by arbitration, provided however, that any cash adjustments relating to items which are not in dispute shall be made within the thirty (30) day period. The cost of preparing the Final Statement shall be a Deduction, unless the termination occurs as a result of a Manager Event of Default or an Owner Event of Default, in which case the defaulting party shall pay such cost. Manager and Owner acknowledge that there may be certain adjustments for which the information will not be available at the time of the Final Statement and the parties agree to readjust such amounts and make the necessary cash adjustments when such information becomes available, provided, however, that all accounts shall be deemed final as of the second (2nd) anniversary of the date of termination.

F. Upon a termination, Manager shall disburse to Owner all Working Capital (excluding funds to be held in escrow pursuant to Section 11.09.I) remaining after payment of all Deductions and all amounts then payable to Manager or Owner.

G. Manager shall make available to Owner such books and records respecting the Hotel (including those from prior years, subject to Manager's reasonable records retention policies) as will be needed by Owner to prepare the accounting statements, in accordance with the Uniform System of Accounts, for the Hotel for the Year in which the termination occurs and for any subsequent Year.

H. Manager shall (to the extent permitted by law) assign to Owner or its designee all operating licenses and permits for the Hotel which have been issued in Manager's name (including liquor and restaurant licenses, if any).

I. If Owner does not exercise its right under Section 11.09.G and/or a successor Manager is not a franchisee of Manager, Manager shall have the option, to be exercised within thirty (30) days after termination, to purchase at their then book value, any items of Inventories and Fixed Asset Supplies marked with any Trade Name, other trade name, symbol, logo or design. If Manager does not exercise such option, Owner agrees that any such items not so purchased will be used exclusively at the Hotel until they are consumed.

J. Manager shall, at Owner's sole cost and expense, use commercially reasonable efforts to cooperate with Owner or its designee in connection with the transfer of management of the Hotel including processing of all applications for licenses, operating permits and other governmental authorizations and the assignment of all contracts entered into by Manager with respect to the use and operation of the Hotel as then operated, but excluding all insurance contracts and multi-property contracts not limited in scope to the Hotel (if applicable) and all contracts with Affiliates of Manager.

K. Owner or its designee shall have the right to operate the improvements on the Site without modifying the architectural design, notwithstanding the fact that such design or certain features thereof may be proprietary to Manager and/or protected by trademarks or service marks held by Manager or an Affiliate, provided that such use shall be confined to the Site. Further, provided that the Hotel then satisfies the System Standards, Owner or its designee shall be entitled (but not obligated) to operate the Hotel under the Trade Names for a period of one (1) year following termination in consideration for which Owner or its designee shall pay the then standard franchise fees of Manager and its Affiliates and shall comply with the other applicable terms and conditions of the form of franchise agreement then being entered into and Manager will continue to provide services to the Hotel including, reservations and communication services; provided, however, that all such services shall be provided in accordance with the applicable terms and conditions of the form of franchise agreement.

L. Any computer software (including upgrades and replacements) at the Hotel owned by Manager, an Affiliate, or the licensor of any of them is proprietary to Manager, such Affiliate, or the licensor of any of them and shall in all events remain the exclusive property of Manager, the Affiliate or the licensor of any of them, as the case may be, and nothing contained in this Agreement shall confer on Owner the right to use any of such software. Manager shall have the right to remove from the Hotel without compensation to Owner any computer software (including upgrades and replacements), including, without limitation, the System software, owned by Manager, any Affiliate or the licensor of any of them and any computer equipment utilized as part of a centralized reservation system or owned by a party other than Owner.

M. If this Agreement is terminated for any reason, other than by reason of a Manager Event Default, and excluding a termination as a result of the expiration of the Term, an escrow fund shall be established from Gross Revenues to reimburse Manager for all reasonable costs and expenses incurred by Manager in terminating its employees at the Hotel, such as severance pay, unemployment compensation, employment relocation, and other employee liability costs arising out of the termination of employment of such employees. If Gross Revenues are insufficient to meet the requirements of such escrow fund, then Manager shall have the right to withdraw the amount of such expenses from Working Capital or any other funds of Owner with respect to the Hotel held by or under the control of Manager. Owner or its designee shall have the right to offer employment to any employee whom Manager proposes to terminate and Manager shall cooperate with Owner in connection therewith.

N. Manager shall peacefully vacate and surrender the Hotel to Owner.

The provisions of this Section 11.09 shall survive termination.

11.10 Trademarks, Trade Names and Service Marks. The names “*Sonesta*,” “*Royal Sonesta*,” “*Sonesta Suites*,” “*Sonesta ES Suites*” and “*Sonesta Resorts*” (each of the foregoing names, together with any combination thereof, collectively, the “**Trade Names**”) when used alone or in connection with another word or words, and the Sonesta trademarks, service marks, other trade names, symbols, logos and designs shall in all events remain the exclusive property of Manager and except as provided in Section 11.09.E and 11.09.G, nothing contained in this Agreement shall confer on Owner the right to use any of the Trade Names, or the Sonesta trademarks, service marks, other trade names, symbols, logos or designs affiliated or used therewith. Except as provided in Section 11.09.E and 11.09.G, upon termination of this Agreement, any use of any of the Trade Names, or any of the Sonesta trademarks, service marks, other trade names, symbols, logos or designs at the Hotel shall cease and Owner shall promptly remove from the Hotel any signs or similar items which contain any of the Trade Names, trademarks, service marks, other trade names, symbols, logos or designs. If Owner has not removed such signs or similar items within ten (10) Business Days, Manager shall have the right to do so. The cost of such removal shall be a Deduction. Included under the terms of this Section 11.10 are all trademarks, service marks, trade names, symbols, logos or designs used in conjunction with the Hotel, including restaurant names, lounge names, etc., whether or not the marks contain the “Sonesta” name. The right to use such trademarks, service marks, trade names, symbols, logos or designs belongs exclusively to Manager, and the use thereof inures to the benefit of Manager whether or not the same are registered and regardless of the source of the same. The provisions of this Section 11.10 shall survive termination.

11.11 Waiver. The failure of either party to insist upon a strict performance of any of the terms or provisions of the Agreement, or to exercise any option, right or remedy contained in this Agreement, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.

11.12 Partial Invalidity. If any portion of this Agreement shall be declared invalid by order, decree or judgment of a court, or otherwise, this Agreement shall be construed as if such portion had not been so inserted except when such construction would operate as an undue hardship on Manager or Owner or constitute a substantial deviation from the general intent and purpose of the parties as reflected in this Agreement.

11.13 Survival. Except as otherwise specifically provided herein, the rights and obligations of the parties herein shall not survive any termination of this Agreement.

11.14 Negotiation of Agreement. Each of Manager and Owner is a business entity having substantial experience with the subject matter of this Agreement and has fully participated in the negotiation and drafting of this Agreement. Accordingly, this Agreement shall be construed without regard to the rule that ambiguities in a document are to be construed against the draftsman. No inferences shall be drawn from the fact that the final, duly executed Agreement differs in any respect from any previous draft hereof.

11.15 Entire Agreement. This Agreement, together with any other agreements or writings signed by the parties that expressly state they are supplemental to, or supercede any provision of, this Agreement, and together with any instruments to be executed and delivered pursuant to this Agreement, constitutes the entire agreement between the parties as of the Effective Date and supersedes all prior understandings and writings, and may be changed only by a writing signed by the parties hereto. For the avoidance of doubt, the Prior Management Agreement shall continue to govern the rights and obligations of the parties with respect to periods prior to the Effective Date, and this Agreement shall govern the rights and obligations of the parties with respect to periods from and after the Effective Date.

11.16 Affiliates. Manager shall be entitled to contract with companies that are Affiliates (or companies in which Manager has an ownership interest if such interest is not sufficient to make such a company an Affiliate) to provide goods and/or services to the Hotel; provided that the prices and/or terms for such goods and/or services are competitive. Additionally, Manager may contract for the purchase of goods and services for the Hotel with third parties that have other contractual relationships with Manager and its Affiliates, so long as the prices and terms are competitive. In determining whether such prices and/or terms are competitive, they will be compared to the prices and/or terms which would be available from reputable and qualified parties for goods and/or services of similar quality, and the goods and/or services which are being purchased shall be grouped in reasonable categories, rather than being compared item by item. Any dispute as to whether prices and/or terms are competitive shall be settled by arbitration. The prices paid may include overhead and the allowance of a reasonable return to Manager's Affiliates (or companies in which Manager has an ownership interest if such interest is not sufficient to make such a company an Affiliate), provided that such prices are competitive. Owner acknowledges and agrees that, with respect to any purchases of goods and/or services pursuant to this Section 11.16, Manager's Affiliates may retain for their own benefit any allowances, credits, rebates, commissions and discounts received with respect to any such purchases.

11.17 Disputes.

O. Disputes. Any disputes, claims or controversies arising out of or relating to this Agreement or the transactions contemplated hereby, including any disputes, claims or controversies brought by or on behalf of a party hereto, a direct or indirect parent of a party, or any holder of equity interests (which, for purposes of this Section 11.17, shall mean any holder of record or any beneficial owner of equity interests, or any former holder of record or beneficial owner of equity interests) of a party, either on its own behalf, on behalf of a party or on behalf of any series or class of equity interests of a party or holders of any equity interests of a party against a party or any of their respective trustees, directors, members, officers, managers (including The RMR Group LLC or its parent and their respective successor), agents or employees, including any disputes, claims or controversies relating to the meaning, interpretation, effect, validity, performance, application or enforcement of this Agreement, including the agreements set forth in this Section 11.17, or the governing documents of a party (all of which are referred to as "**Disputes**"), or relating in any way to such a Dispute or Disputes shall, on the demand of any party to such Dispute or Disputes, be resolved through binding and final arbitration in accordance with the Commercial Arbitration Rules (the "**Rules**") of the American Arbitration Association (the "**AAA**") then in effect, except as those Rules may be modified in this Section 11.17. For the avoidance of doubt, and not as a limitation, Disputes are intended to include derivative actions against the trustees, directors, officers or managers of a party and class actions by a holder of equity interests against those Persons and a party. For the avoidance of doubt, a Dispute shall include a Dispute made derivatively on behalf of one party against another party.

P. Selection of Arbitrators. There shall be three (3) arbitrators. If there are only two (2) parties to the Dispute, each party shall select one (1) arbitrator within fifteen (15) days after receipt by respondent of a copy of a demand for arbitration. Such arbitrators may be affiliated or interested persons of such parties. If there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, shall each select, by the vote of a majority of the claimants or the respondents, as the case may be, one (1) arbitrator within fifteen (15) days after receipt of a demand for arbitration. Such arbitrators may be affiliated or interested persons of the claimants or the respondents, as the case may be. If either a claimant (or all claimants) or a respondent (or all respondents) fail(s) to timely select an arbitrator then the party (or parties) who has selected an arbitrator may request the AAA to provide a list of three (3) proposed arbitrators in accordance with the Rules (each of whom shall be neutral, impartial and unaffiliated with any party) and the party (or parties) that failed to timely appoint an arbitrator shall have ten (10) days from the date the AAA provides such list to select one (1) of the three (3) arbitrators proposed by the AAA. If the party (or parties) fail(s) to select the second (2nd) arbitrator by

that time, the party (or parties) who have appointed the first (1st) arbitrator shall then have ten (10) days to select one (1) of the three (3) arbitrators proposed by the AAA to be the second (2nd) arbitrator; and, if they should fail to select the second (2nd) arbitrator by such time, the AAA shall select, within fifteen (15) days thereafter, one (1) of the three (3) arbitrators it had proposed as the second (2nd) arbitrator. The two (2) arbitrators so appointed shall jointly appoint the third (3rd) and presiding arbitrator (who shall be neutral, impartial and unaffiliated with any party) within fifteen (15) days of the appointment of the second (2nd) arbitrator. If the third (3rd) arbitrator has not been appointed within the time limit specified herein, then the AAA shall provide a list of proposed arbitrators in accordance with the Rules, and the arbitrator shall be appointed by the AAA in accordance with a listing, striking and ranking procedure, with each party having a limited number of strikes, excluding strikes for cause.

Q. Location of Arbitration. Any arbitration hearings shall be held in Boston, Massachusetts, unless otherwise agreed by the parties, but the seat of arbitration shall be Maryland.

R. Scope of Discovery. There shall be only limited documentary discovery of documents directly related to the issues in dispute, as may be ordered by the arbitrators. For the avoidance of doubt, it is intended that there shall be no depositions and no other discovery other than limited documentary discovery as described in the preceding sentence.

S. Arbitration Award. In rendering an award or decision (an “**Arbitration Award**”), the arbitrators shall be required to follow the laws of the State of Maryland, without regard to principles of conflicts of law. Any arbitration proceedings or Arbitration Award rendered hereunder, and the validity, effect and interpretation of the agreements set forth in this Section 11.17 shall be governed by the Federal Arbitration Act, 9 U.S.C. §1 et seq. An Arbitration Award shall be in writing and may, but shall not be required to, briefly state the findings of fact and conclusions of law on which it is based. Any monetary Arbitration Award shall be made and payable in U.S. dollars free of any tax, deduction or offset. Subject to this Section 11.17, each party against which an Arbitration Award assesses a monetary obligation shall pay that obligation on or before the thirtieth (30th) day following the date of such Arbitration Award or such other date as such Arbitration Award may provide.

T. Costs. Except to the extent expressly provided by this Agreement or as otherwise agreed by the parties thereto, to the maximum extent permitted by Maryland law, each party involved in a Dispute shall bear its own costs and expenses (including attorneys’ fees), and the arbitrators shall not render an Arbitration Award that would include shifting of any such costs or expenses (including attorneys’ fees) or, in a derivative case or class action, award any portion of a party’s Arbitration Award to the claimant or the claimant’s attorneys. Each party (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, respectively) shall bear the costs and expenses of its (or their) selected arbitrator and the parties (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand) shall equally bear the costs and expenses of the third (3rd) appointed arbitrator.

U. Appeals. Notwithstanding any language to the contrary in this Agreement, any Arbitration Award, including but not limited to any interim Arbitration Award, may be appealed pursuant to the AAA’s Optional Appellate Arbitration Rules (“**Appellate Rules**”). An Arbitration Award shall not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty (30) days of receipt of an Arbitration Award by filing a notice of appeal with any AAA office. Following the appeal process, the decision rendered by the appeal tribunal may be entered in any court having jurisdiction thereof. For the avoidance of doubt, and despite any contrary provision of the Appellate Rules, the above paragraph relating to costs and expenses shall apply to any appeal pursuant to this Section 11.17 and the appeal tribunal shall not render an Arbitration Award that would include shifting of any costs or expenses (including attorneys’ fees) of any party.

V. Final Judgment. Following the expiration of the time for filing the notice of appeal, or the conclusion of the appeal process set forth in the above paragraph, an Arbitration Award shall be final and binding upon the parties thereto and shall be the sole and exclusive remedy between those parties relating to the Dispute, including any claims, counterclaims, issues or accounting presented to the arbitrators. Judgment upon an Arbitration Award may be entered in any court having jurisdiction. To the fullest extent permitted by law, no application or appeal to any court of competent jurisdiction may be made in connection with any question of law arising in the course of arbitration or with respect to any Arbitration Award made, except for actions relating to enforcement of the agreements set forth in this Section 11.17 or any arbitral award issued hereunder and except for actions seeking interim or other provisional relief in aid of arbitration proceedings in any court of competent jurisdiction.

W. Intended Beneficiaries. This Section 11.17 is intended to benefit and be enforceable by the parties hereto and their respective shareholders, stockholders, members, beneficial interest owners, direct and indirect parents, trustees, directors, officers, managers (including The RMR Group LLC or its parent and their respective successor), members, agents or employees and their respective successors and assigns and shall be binding on the parties, and such Persons and be in addition to, and not in substitution for, any other rights to indemnification or contribution that such Persons may have by contract or otherwise.

11.18 Permitted Contests. Manager shall have the right to contest the amount or validity of any Imposition, Legal Requirement, Insurance Requirement, lien, attachment, levy, encumbrance, charge or claim (collectively, “**Claims**”) as to the Hotel, by appropriate legal proceedings, conducted in good faith and with due diligence, provided that (a) such contest shall not cause Landlord or Owner to be in default under any Mortgage or reasonably be expected to result in a lien attaching to the Hotel, unless such lien is fully bonded or otherwise secured to the reasonable satisfaction of Landlord, (b) no part of the Hotel nor any Gross Revenues therefrom shall be in any immediate danger of sale, forfeiture, attachment or loss, and (c) Manager shall indemnify and hold harmless Owner and Landlord from and against any cost, claim, damage, penalty or reasonable expense, including reasonable attorneys’ fees, incurred by Owner or Landlord in connection therewith or as a result thereof. Owner and Landlord shall sign all required applications and otherwise cooperate with Manager in expediting the matter, provided that neither Owner nor Landlord shall thereby be subjected to any liability therefor (including, without limitation, for the payment of any costs or expenses in connection therewith), and any such costs or expenses incurred in connection therewith shall be paid as a Deduction. Landlord shall agree to join in any such proceedings if required legally to prosecute such contest, provided that Landlord shall not thereby be subjected to any liability therefor (including, without limitation, for the payment of any costs or expenses in connection therewith) and Manager agrees by agreement in form and substance reasonably satisfactory to Landlord, to assume and indemnify Landlord. Any amounts paid under any such indemnity of Manager to Owner or Landlord shall be a Deduction. Any refund of any Claims and such charges and penalties or interest thereon shall be paid to Manager and included in Gross Revenues.

11.19 Estoppel Certificates. Each party to this Agreement shall at any time and from time to time, upon not less than thirty (30) days’ prior notice from the other party, execute, acknowledge and deliver to such other party, or to any third party specified by such other party, a statement in writing: (a) certifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications); (b) stating whether or not to the best knowledge of the certifying party (i) there is a continuing default by the non-certifying party in the performance or observance of any covenant, agreement or condition contained in this Agreement, or (ii) there shall have occurred any event which, with the giving of notice or passage of time or both, would become such a default, and, if so, specifying each such default or occurrence of which the certifying party may have knowledge; (c) stating the date to which distributions of Operating Profit have been made; and (d) stating such other information as the non-certifying party may reasonably request. Such statement shall be binding upon the certifying party and may be relied upon by the non-certifying party and/or such

third party specified by the non-certifying party as aforesaid, including, without limitation its lenders and any prospective purchaser or mortgagee of the Hotel or the leasehold estate created by the Lease. Upon termination, each party shall, on request, within the time period described above, execute and deliver to the non-certifying party and to any such third party a statement certifying that this Agreement has been terminated.

11.20 Indemnification. Notwithstanding the existence of any insurance provided for herein and without regard to the policy limits of any such insurance, Manager shall protect, indemnify and hold harmless Owner and Landlord for, from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and reasonable expenses (including, without limitation, reasonable attorneys' fees), to the maximum extent permitted by law, imposed upon or incurred by or asserted against Owner or Landlord by reason of: (a) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Hotel or adjoining sidewalks or rights of way under Manager's control, (b) any use, misuse, non-use, condition, management, maintenance or repair by Manager or anyone claiming under Manager of the Hotel or Owner's Personal Property or any litigation, proceeding or claim by governmental entities or other third parties to which Owner or Landlord is made a party or participant relating to the Hotel or Owner's Personal Property or such use, misuse, non-use, condition, management, maintenance, or repair thereof including, failure to perform obligations (other than Condemnation proceedings) to which Owner or Landlord is made a party, (c) any Impositions that are the obligations of Manager to pay pursuant to the applicable provisions of this Agreement, and (d) infringement and other claims relating to the propriety marks of Manager or its Affiliates; provided, however, that Manager's obligations hereunder shall not apply to any liability, obligation, claim, damage, penalty, cause of action, cost or expense to the extent the same arises from any negligence or willful misconduct of Owner or Landlord or their respective employees, agents or invitees. Manager, at its expense, shall contest, resist and defend any such claim, action or proceeding asserted or instituted against Owner or Landlord (but shall not be responsible for any duplicative attorneys' fees incurred by Owner or Landlord) or may compromise or otherwise dispose of the same, with Owner's or Landlord's, as appropriate, prior written consent (which consent may not be unreasonably withheld or delayed). If Owner or Landlord unreasonably delays or withholds consent, Manager shall not be liable under this Section 11.20 for any incremental increase in costs or expenses resulting therefrom. The obligations of Manager under this Section 11.20 shall not be applicable to Environmental Costs with respect to which a specific indemnity is provided in Section 11.06.D, to the extent addressed therein. The obligations under this Section 11.20 shall survive termination.

11.21 Remedies Cumulative. To the maximum extent permitted by law, each legal, equitable or contractual right, power and remedy of Owner or Manager, now or hereafter provided either in this Agreement or by statute or otherwise, shall be cumulative and concurrent and shall be in addition to every other right, power and remedy and the exercise or beginning of the exercise by Owner or Manager of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Owner or Manager of any or all of such rights, powers and remedies.

11.22 Amendments and Modifications. This Agreement shall not be modified or amended except in writing signed by Owner and Manager.

11.23 Claims; Binding Effect; Time of the Essence; Nonrecourse. Anything contained in this Agreement to the contrary notwithstanding, all claims against, and liabilities of, Manager or Owner arising prior to any date of termination of this Agreement shall survive such termination. All the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Time is of the essence with respect to the exercise of any rights of Manager, Owner or Landlord under this Agreement. Nothing contained in this Agreement shall be construed to create or impose any liabilities or obligations and no such liabilities or obligations shall be imposed on any of the equityholders, beneficial owners, direct or indirect, officers, directors, trustees,

employees or agents of Owner or Landlord or their respective Affiliates or Manager or its Affiliates for the payment or performance of the obligations or liabilities of Owner, Landlord or Manager, as applicable.

11.24 Counterparts; Headings. This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original, but which, when taken together, shall constitute but one instrument and shall become effective as of the date hereof when copies hereof, which, when taken together, bear the signatures of each of the parties hereto shall have been signed. Headings in this Agreement are for purposes of reference only and shall not limit or affect the meaning of the provisions hereof.

11.25 No Political Contributions. Notwithstanding any provision in this Agreement to the contrary, no money or property of the Hotel shall be paid or used or offered, nor shall Owner or Manager directly or indirectly use or offer, consent or agree to use or offer, any money or property of the Hotel (i) in aid of any political party, committee or organization, (ii) in aid of any corporation, joint stock or other association organized or maintained for political purposes, (iii) in aid of any candidate for political office or nomination for such office, (iv) in connection with any election, (v) for any political purpose whatever, or (vi) for the reimbursement or indemnification of any person for any money or property so used.

11.26 REIT Qualification.

X. Manager shall take all commercially reasonable actions reasonably requested by Owner or Landlord for the purpose of qualifying Landlord's rental income from Owner under the Lease as "rents from real property" pursuant to Sections 856(d)(2), 856(d)(8)(B) and 856(d)(9) of the Code, including but not limited to any action requested to maintain: (1) Manager's continued qualification as an "eligible independent contractor" (as defined in Section 856(d)(9)(A) of the Code) with respect to SVC and (2) the Hotel's continued treatment as a "qualified lodging facility" (as defined in Section 856(d)(9)(D) of the Code). Manager shall not be liable if such reasonably requested actions, once implemented, fail to have the desired result of qualifying Landlord's rental income from Owner under the Lease as "rents from real property" pursuant to Sections 856(d)(2), 856(d)(8)(B) and 856(d)(9) of the Code. This Section 11.26.A shall not apply in situations where an Adverse Regulatory Event has occurred; instead, Section 11.27 shall apply.

Y. If Owner or Landlord wish to invoke the terms of Section 11.26.A, Owner or Landlord (as appropriate) shall contact Manager and the parties shall meet with each other to discuss the relevant issues and to develop a mutually-agreed upon plan for implementing such reasonably requested actions.

Z. Any additional out-of-pocket costs or expenses incurred by Manager in complying with such a request shall be borne by Owner (and shall not be a Deduction). Owner shall reimburse Manager for such expense or cost promptly, but not later than five (5) Business Days after such expense or cost is incurred.

AA. Manager shall not authorize any wagering activities to be conducted at or in connection with the Hotel, and Manager shall use commercially reasonable efforts to achieve the goal of having at least one-half of the guest rooms in the Hotel being used on a transient basis and the goal of having no Hotel amenities and facilities that are not customary for similarly situated properties.

11.27 Adverse Regulatory Event. In the event of an Adverse Regulatory Event arising from or in connection with this Agreement, Owner and Manager shall work together in good faith to amend this Agreement to eliminate the impact of such Adverse Regulatory Event. For purposes of this Agreement, the term "**Adverse Regulatory Event**" means any time that a law, statute, ordinance, code, rule or regulation imposes upon Owner (or could impose upon Owner in Owner's reasonable opinion), any material threat to either Landlord's or Landlord's Affiliate's status as a "real estate investment trust" under the Code or to the treatment of amounts paid to Landlord as "rents from real property" under Section 856(d) of the Code. Each of Manager and Owner shall inform the other of any Adverse Regulatory Event

of which it is aware and which it believes likely to impair compliance of any of the Hotel with respect to the aforementioned sections of the Code.

11.28 Tax Matters. Manager will prepare or cause to be prepared all tax returns required in the operation of the Hotel, which include payroll, sales and use tax returns, personal property tax returns and business, professional and occupational license tax returns. Manager shall timely file or cause to be filed such returns as required by the State; provided that, Owner shall promptly provide all relevant information to Manager upon request, and any late fees or penalties resulting from delays caused by Owner shall be borne by Owner. Manager shall not be responsible for the preparation of Landlord's or Owner's federal or state income tax returns, provided Manager shall cooperate fully with Owner and Landlord as may be necessary to enable Owner or Landlord to file such federal or state income tax returns, including by preparing data reasonably requested by Owner or Landlord and submitting it to Owner or Landlord, as applicable, as soon as reasonably practicable following such request.

11.29 Third Party Beneficiaries. The terms and conditions of this Agreement shall inure to the benefit of, and be binding upon, the respective successors, heirs, legal representatives or permitted assigns of each of the parties hereto and except for Landlord and SVC, which are intended third party beneficiaries, no Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement.

Article XII

DEFINITION OF TERMS; CONSTRUCTION

12.01 Definition of Terms.

The following terms when used in this Agreement and the Addenda attached hereto shall have the meanings indicated:

"AAA" has the meaning ascribed to such term in Section 11.17.

"Additional Manager Advances" means advances by Manager under Sections 4.05 and 5.05, together with simple interest at the rate of nine percent (9%) per annum on the outstanding balance thereof from time to time.

"Additional Working Capital" has the meaning ascribed to such term in Section 4.05.

"Adverse Regulatory Event" has the meaning ascribed to such term in Section 11.27.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, directly or indirectly, of the power: (i) to vote fifty percent (50%) or more of the voting stock or equity interests of such Person; or (ii) to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting stock or equity interests, by contract or otherwise.

"Agreement" means this Management Agreement.

"Annual Operating Projection" has the meaning ascribed to such term in Section 4.04.

"Annual Operating Statement" has the meaning ascribed to such term in Section 4.01.B.

"Appellate Rules" has the meaning ascribed to such term in Section 11.17.

"Arbitration Award" has the meaning ascribed to such term in Section 11.17.

"Award" has the meaning ascribed to such term in the Lease.

“Base Management Fee” means an amount equal to three percent (3%) of Gross Revenues.

“Building” has the meaning ascribed to such term in the Recitals.

“Business Day” means any day other than Saturday, Sunday, or any other day on which banking institutions in the Commonwealth of Massachusetts are authorized by law or executive action to close.

“Capital Estimate” has the meaning ascribed to such term in Section 5.05.A.

“Capital Statement” has the meaning ascribed to such term in Section 5.06.B.

“Change of Control” means, the acquisition by any Person or Persons acting in concert (excluding Persons who are holders, directly or indirectly, of equity interest in Manager as of the Effective Date or Affiliates or Immediate Family Members of such Persons) of beneficial ownership (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of 50% or more, or rights, options or warrants to acquire 50% or more, of the outstanding shares of voting stock or other voting interests of Manager.

“Claims” has the meaning ascribed to such term in Section 11.18.

“Code” means the Internal Revenue Code of 1986.

“Condemnation” means (a) the exercise of any governmental power with respect to the Hotel or any interest therein, whether by legal proceedings or otherwise, by a Condemnor of its power of condemnation, (b) a voluntary sale or transfer of the Hotel or any interest therein, to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending, or (c) a taking or voluntary conveyance of the Hotel or any interest therein, or right accruing thereto or use thereof, as the result or in settlement of any Condemnation or other eminent domain proceeding affecting the Hotel or any interest therein, whether or not the same shall have actually been commenced.

“Condemnor” means any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

“Controlling Interest” means (i) if the Person is a corporation, the right to exercise, directly or indirectly, more than fifty percent (50%) of the voting rights attributable to the shares of such Person (through ownership of such shares or by contract), or (ii) if the Person is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the business, management or policies of such Person. “Control”, “Controlling” and “Controlled” have corrective meanings.

“Deduction” has the meaning ascribed to such term in the definition of Operating Profit.

“Discount Rate” means an annual rate of eight percent (8%).

“Disputes” has the meaning ascribed to such term in Section 11.17.

“Effective Date” has the meaning ascribed to such term in the Preamble.

“Environmental Costs” has the meaning ascribed to such term in Section 11.06.C.

“Environmental Laws” has the meaning ascribed to such term in Section 11.06.B.

“Environmental Notice” has the meaning ascribed to such term in Section 11.06.A.

“Environmental Obligation” has the meaning ascribed to such term in Section 11.06.A.

“Existing CC&Rs” has the meaning ascribed to such term in Section 8.02.A.

“FF&E” means furniture, fixtures and equipment, including without limitation: furnishings, fixtures, decorative items, signage, audio-visual equipment, kitchen equipment and appliances, cabinetry, laundry equipment, housekeeping equipment, telecommunications systems, security systems and front

desk and back-of-the house computer equipment; provided, however, that the term “FF&E” shall not include Fixed Asset Supplies or software.

“FF&E Reserve Account” has the meaning ascribed to such term in Section 5.04.A.

“FF&E Reserve Deposit” means, for each Year or portion thereof, an amount equal to five percent (5%) of Gross Revenues.

“FF&E Reserves” has the meaning ascribed to such term in Section 5.04.A

“Final Statement” has the meaning ascribed to such term in Section 11.09.A.

“Fixed Asset Supplies” means items included within “Operating Equipment” under the Uniform System of Accounts that may be consumed in the operation of the Hotel or are not capitalized, including linen, china, glassware, tableware, uniforms, and similar items used in the operation of the Hotel.

“Future CC&Rs” has the meaning ascribed to such term in Section 8.02.A.

“GAAP” means generally accepted accounting principles, consistently applied.

“Government Agencies” means any court, agency, authority, board (including, without limitation, environmental protection, planning and zoning), bureau, commission, department, office or instrumentality of any nature whatsoever of any governmental or quasi-governmental unit of the United States or the State or any county or any political subdivision of any of the foregoing, whether now or hereafter in existence, having jurisdiction over Owner, Landlord or the Hotel.

“Gross Revenues” means for any period, all revenues and receipts of every kind derived from operating the Hotel and all departments and parts thereof during such period, including: income (from both cash and credit transactions) after deductions for bad debts and discounts for prompt cash payments and refunds from rental of Guest Rooms and other spaces at the Hotel, telephone charges, stores, offices, exhibit or sales space of every kind; license, lease and concession fees and rentals (not including gross receipts of licensees, lessees and concessionaires); income from vending machines; income from parking; health club membership fees; food and beverage sales; wholesale and retail sales of merchandise; service charges; and proceeds, if any, from business interruption or other loss of income insurance; provided, however, that Gross Revenues shall not include the following: gratuities to employees of the Hotel; federal, state or municipal excise, sales or use taxes or any other taxes collected directly from patrons or guests or included as part of the sales price of any goods or services; proceeds from the sale of FF&E; interest received or accrued with respect to the funds in the operating accounts of the Hotel; any refunds, rebates, discounts and credits of a similar nature, given, paid or returned in the course of obtaining Gross Revenues or components thereof; insurance proceeds (other than proceeds from business interruption or other loss of income insurance); condemnation proceeds (other than for a temporary taking); or any proceeds from any Sale of the Hotel or from the refinancing of any debt encumbering the Hotel but excluding amounts expressly stated in this Agreement not to be included in Gross Revenues.

“Gross Room Revenues” means all Gross Revenues attributable to or payable for rental of Guest Rooms, after deductions for bad debts and discounts for prompt cash payments and refunds from rental of Guest Rooms, including, without limitation, all credit transactions, whether or not collected, but excluding (i) any sales or room taxes collected by Manager for transmittal to the appropriate taxing authority, and (ii) any revenues from sales or rentals of ancillary goods, such as VCR rentals, telephone income and fireplace log sales and sales from in-room service bars. Gross Room Revenues shall also include the proceeds from any business interruption insurance or other loss of income insurance. Gross Room Revenues shall be accounted for in accordance with the Uniform System of Accounts.

“Guest Room” means a lodging unit in the Hotel.

“Hazardous Substances” means any substance:

(i) the presence of which requires or may hereafter require notification, investigation or remediation under any federal, state or local statute, regulation, rule, ordinance, order, action or policy; or

(ii) which is or becomes defined as a “hazardous waste”, “hazardous material”, or “hazardous substance”, “dangerous waster”, “pollutant” or “contaminant” or term of similar import under any present or future federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.) and the regulations promulgated thereunder; or

(iii) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, any state of the United States, or any political subdivision thereof; or

(iv) the presence of which at the Hotel causes or materially threatens to cause an unlawful nuisance upon the Hotel or to adjacent properties or poses or materially threatens to pose a hazard to the Hotel or to the health or safety of persons on or about the Hotel; or

(v) without limitation, which is or contains gasoline, diesel fuel or other petroleum hydrocarbons or volatile organic compounds; or

(vi) without limitation, which is or contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or

(vii) without limitation, which contains or emits radioactive particles, waves or material; or

(viii) without limitation, constitutes materials which are now or may hereafter be listed as medical waste pursuant to the Medical Waste Tracking Act of 1988, or analogous state or local laws or regulations or guidelines promulgated thereunder.

“Hotel” means the Site together with the Building and all other improvements constructed or to be constructed on the Site, and all FF&E installed or located on the Site or in the Building, and all easements or other Owner rights thereto owned by Landlord together with, for purposes of this Agreement, all office equipment, telephone equipment, motor vehicles, and other equipment leased by Owner, Fixed Asset Supplies and Inventories at the Hotel.

“Initial Effective Date” has the meaning ascribed to such term in the Recitals.

“Initial Term” has the meaning ascribed to such term in Section 2.01.A.

“Interest Rate” means an annual rate of 9%, but not higher than the highest rate permitted by law.

“Immediate Family Member” of an individual means any lineal descendant of such individual (including descendants by adoption), the spouse of any such lineal descendant, the estate of such individual or of his or her lineal descendants, or a trust for the principal benefit of one or more of such individual or of his or her lineal descendants (including a trust the principal beneficiary of which is another trust for the principal benefit of one or more such Persons).

“Impositions” has the meaning ascribed to such term in the Lease but shall not include:

1. Special assessments (regardless of when due or whether they are paid as a lump sum or in installments over time) imposed because of facilities which are constructed by or on behalf of the assessing jurisdiction (for example, roads, sidewalks, sewers, culverts, etc.) which directly benefit

the Hotel (regardless of whether or not they also benefit other buildings), which assessments shall be treated as capital costs of construction and not as Deductions; and

2. Impact fees (regardless of when due or whether they are paid as a lump sum or in installments over time) which are required as a condition to the issuance of site plan approval, zoning variances or building permits, which impact fees shall be treated as capital costs of construction and not as Deductions.

“Incentive Management Fee” means, for each Year or portion thereof, an amount equal to twenty percent (20%) of Operating Profit remaining after deducting amounts paid or payable in respect of Owner’s Priority, Reimbursable Advances and the FF&E Reserve Deposit for such Year or portion thereof.

“Insurance Requirements” means all terms of any insurance policy required by this Agreement and all requirements of the issuer of any such policy and all orders, rules and regulations and any other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) binding upon the Hotel.

“Inventories” means “Inventories” as defined in the Uniform System of Accounts, including provisions in storerooms, refrigerators, pantries and kitchens; beverages in wine cellars and bars; other merchandise intended for sale; fuel; mechanical supplies; stationery; and other expensed supplies and similar items.

“Invested Capital” means an amount equal to \$49,183,633, increased by the sum of any amounts paid after the Effective Date by (a) Landlord pursuant to Sections 5.1.2(b), 10.2.3 or 11.2 of the Lease or, (b) Owner pursuant to Section 5.05 or pursuant to Section 6.04 or Section 6.07 in excess of the insurance proceeds or Award, as the case may be.

“Landlord” has the meaning ascribed to such term in the Recitals or shall mean, as of any date, the landlord under the Lease as of such date.

“Lease” means the Amended and Restated Lease Agreement between Landlord and Owner, among others, dated as of February 27, 2020, as amended from time to time, and any replacement lease(s) of the Hotel by the fee owner thereof.

“Legal Requirements” means all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions affecting the Hotel or the maintenance, construction, alteration or operation thereof, whether now or hereafter enacted or in existence, including, without limitation, (a) all permits, licenses, authorizations, certificates and regulations necessary to operate the Hotel, and (b) all covenants, agreements, restrictions and encumbrances contained in any instruments at any time in force affecting the Hotel which either (i) do not require the approval of Manager, or (ii) have been approved by Manager as required hereby, including those which may (A) require material repairs, modifications or alterations in or to the Hotel or (B) in any way materially and adversely affect the use and enjoyment thereof, but excluding any requirements under Sections 11.26, 11.27 or 11.28, and (c) all valid and lawful requirements of Government Agencies or pertaining to reporting, licensing, permitting, investigation, remediation and removal of underground improvements (including, without limitation, treatment or storage tanks, or water, gas or oil wells), or emissions, discharges, releases or threatened releases of Hazardous Substances, chemical substances, pesticides, petroleum or petroleum products, pollutants, contaminants or hazardous or toxic substances, materials or wastes whether solid, liquid or gaseous in nature, into the environment, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, underground improvements (including, without limitation, treatment or storage tanks, or water, gas or oil wells), or pollutants, contaminants or hazardous or toxic substances, materials or wastes, whether solid, liquid or gaseous in nature.

“Loyalty Program” means the Sonesta Travel Pass loyalty program or such replacement or successor “frequent stay” reward program as Manager may employ in the future for the hotels in the System.

“Loyalty Program Fee” means an amount assessed based on defined costs associated with the Loyalty Program, not greater than one percent (1%) of Gross Revenues or such greater amount otherwise mutually agreed upon between Owner and Manager.

“Major Renovation” means a renovation, repair or restoration of the Hotel which impacts guest room availability or the use of public, function and outlet space so significantly that Owner and Manager agree it is a major renovation.

“Manager” has the meaning ascribed to such term in the Preamble hereto or shall mean any successor or permitted assign, as applicable.

“Manager Event of Default” has the meaning ascribed to such term in Section 9.01.

“Marketing Programs” means advertising, marketing, promotional and public relations programs and campaigns including so-called “frequent stay” rewards program which are intended for the benefit of all hotels in the System.

“Marketing Program Fee” means an amount equal to one percent (1%) of Gross Revenues or an amount otherwise mutually agreed upon between Owner and Manager.

“Monthly Statement” has the meaning ascribed to such term in Section 4.01.A.

“Mortgage” means any mortgage indebtedness obtained by Landlord to finance the Hotel, and may take the form of a mortgage, deed of trust or security document customarily in use in the State.

“Mortgagee” means the holder of any Mortgage.

“Officer’s Certificate” means a certificate executed by an officer of Manager which certifies that with respect to the Annual Operating Statement delivered under Section 4.01.B, the accompanying statement has been properly prepared in accordance with GAAP and fairly presents the financial operations of the Hotel.

“Operating Loss” means a negative Operating Profit for the Hotel.

“Operating Profit” means the excess of Gross Revenues over the following expenses incurred by Manager in accordance with the Operating Standards and the terms of this Agreement, on behalf of Owner, in operating the Hotel:

1. the cost of sales, including, without limitation, compensation, fringe benefits, payroll taxes and other costs related to Hotel employees (the foregoing costs shall not include salaries and other employee costs of executive personnel of Manager who do not work at the Hotel on a regular basis; except that the foregoing costs shall include the allocable portion of the salary and other employee costs of any general manager or other supervisory personnel assigned to a “cluster” of hotels which includes the Hotel);
2. departmental expenses incurred at departments within the Hotel; administrative and general expenses; the cost of marketing incurred by the Hotel; advertising and business promotion incurred by the Hotel;
3. routine repairs, maintenance and minor alterations under Section 5.02;
4. all charges for electricity, power, gas, oil, water and other utilities consumed in the operation of the Hotel;

5. the cost of Inventories and Fixed Asset Supplies consumed in the operation of the Hotel;
6. lease payments for equipment and other personal property reasonably necessary for the operation of the Hotel and any ground lease payments;
7. a reasonable reserve for uncollectible accounts receivable as determined by Manager;
8. all costs and fees of independent professionals or other third parties who are retained by Manager to perform services required or permitted hereunder;
9. all costs and fees of technical consultants and operational experts who are retained or employed by Manager and/or Affiliates of Manager for specialized services (including, without limitation, quality assurance inspectors) and the cost of attendance by employees of the Hotel at training and manpower development programs sponsored by Manager;
10. the Base Management Fee, Reservations Fee and Systems Fee;
11. insurance costs and expenses for coverage required to be maintained under Section 6.01;
12. taxes, if any, payable by or assessed against Manager related to this Agreement or to Manager's operation of the Hotel (exclusive of Manager's income taxes) and all Impositions;
13. the Marketing Program Fee and the Loyalty Program Fee;
14. the Hotel's share of the costs and expenses of participating in programs and activities prescribed for members of the System (including those central or regional services set forth in Section 1.03) to the extent such costs are not paid pursuant to a Marketing Program;
15. the costs of commercially reasonable efforts of causing the Hotel to be in compliance with each and every provision of the Lease (regardless of whether or not such compliance is a requirement of this Agreement);
16. such other costs and expenses incurred by Manager to comply with Legal Requirements and Insurance Requirements or are otherwise reasonably necessary for the proper and efficient operation of the Hotel; and
17. such other costs and expenses paid to Owner or Landlord pursuant to the Lease or this Agreement, if such costs and expenses would have been a Deduction if paid directly by Manager to a third person in respect of the Hotel, (the items above collectively, "**Deductions**").

Deductions shall not include (a) payments with respect to items for which Manager has agreed to be liable at its own cost and expense in this Agreement or under any other agreement between Manager and Owner including indemnities, (b) debt service payments pursuant to any Mortgage, (c) payments pursuant to equipment leases or other forms of financing obtained by Owner for the FF&E located in or connected with the Hotel, both of which shall be paid or caused to be paid by Owner, (d) rent payable under the Lease, (e) any reimbursement to Manager for advances Manager makes with respect to the Hotel as permitted hereunder, (f) the Incentive Management Fee, (g) the Procurement and Construction Supervision Fee or, (h) any item specifically stated not to be a Deduction.

"Operating Standards" has the meaning ascribed to such term in Section 1.02.A.

"Overdue Rate" means an annual rate of 12% but not higher than the highest rate permitted by law.

"Owner" has the meaning ascribed to such term in the Preamble or shall mean any successor or permitted assignee, as applicable.

“Owner Advances” has the meaning ascribed to such term in Section 3.02.D.

“Owner Event of Default” has the meaning ascribed to such term in Section 9.03.

“Owner Operating Loss Advance(s)” has the meaning ascribed to such term in Section 4.06.

“Owner’s Personal Property” means all motor vehicles, consumable inventories and supplies, furniture, furnishings, movable walls and partitions, equipment and machinery and all other tangible personal property of Owner, if any, acquired by Owner on and after the date hereof and located at the Hotel or used in Owner’s business at the Hotel, and all modifications, replacements, alterations and additions to such personal property.

“Owner’s Priority” means, for each Year or portion thereof, an amount equal to eight percent (8%) of Invested Capital.

“Owner’s Residual Payment” with respect to each Year or portion thereof, an amount equal to Operating Profit remaining after deducting amounts paid or payable in respect of Owner’s Priority, Reimbursable Advances, the FF&E Reserve Deposit and the Incentive Management Fee for such Year.

“Owner Working Capital Advances” means the aggregate of all funds remitted by Owner to Manager as Additional Working Capital.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company partnership or other entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so permits.

“Prior Management Agreement” has the meaning ascribed to such term in the Recitals.

“Procurement and Construction Supervision Fee” means an amount equal to three percent (3%) of all third party costs of capital expenditures under Sections 5.05, 6.04 and 6.07.

“Reimbursable Advances” means the amounts paid or payable in respect of Section 3.02.D.

“Renewal Term(s)” has the meaning ascribed to such term in Section 2.01.A.

“Reservation Fee” means one and one-half percent (1.5%) of Gross Room Revenues.

“RMR” has the meaning ascribed to such term in Section 11.17.

“Rules” has the meaning ascribed to such term in Section 11.17.

“Sale of the Hotel” means any sale, assignment, transfer or other disposition, for value or otherwise, voluntary or involuntary, of Owner’s leasehold title to the Hotel or Landlord’s fee title to the Hotel, as the case may be. For purposes of this Agreement, a Sale of the Hotel shall also include a lease (or sublease) of all or substantially all of Owner’s leasehold interest in the Hotel and any sale, assignment, transfer or other disposition, for value or otherwise, voluntary or involuntary, in a single transaction or a series of transactions, of the Controlling Interest in Owner or Landlord, but shall not include any conveyance which results in SVC continuing to hold a Controlling Interest in the transferee.

“SEC” means the United States Securities and Exchange Commission.

“Site” has the meaning ascribed to such term in Section A of the Recitals.

“Sonesta” means Sonesta International Hotels Corporation, a Maryland corporation.

“Sonesta Holdco” means Sonesta Holdco Corporation, a Maryland corporation, Sonesta’s parent.

“Specially Designated National or Blocked Person” means (a) a person designated by the U.S. Department of Treasury’s Office of Foreign Assets Control, or other governmental entity, from time to time as a “specially designated national or blocked person” or similar status, (b) a person described in Section 1 of U.S. Executive Order 13224 issued on September 23, 2001, or (c) a person otherwise

identified by government or legal authority as a person with whom Manager or its Affiliates are prohibited from transacting business. Currently, a listing of such designations and the text of the Executive Order are published under the internet website address www.ustreas.gov/offices/enforcement/ofac.

“State” means the state in which the Hotel is located.

“Stockholders Agreement” means that certain Stockholders Agreement dated as of February 27, 2020 by and among Sonesta Holdco, SVC and certain other stockholders of Sonesta Holdco.

“Subordination Agreement” has the meaning ascribed to such term in Section 8.04.

“Subsequent Holder” has the meaning ascribed to such term in Section 8.04.

“System” means all hotels which are operated under the Trade Names.

“SVC” means Service Properties Trust.

“System Fee” mean during any Year, an amount equal to one and one-half percent (1.5%) of Gross Revenues.

“System Standards” means the physical standards (for example, quality of the Building, FF&E, and Fixed Asset Supplies, frequency of FF&E replacements, etc.); each of such standards shall be the standard which is generally prevailing or in the process of being implemented at other hotels in the System, on a fair and consistent basis with other hotels in the System; provided, however, that if the market area or the physical peculiarities of the Hotel warrant, in the reasonable judgment of Manager, a deviation from such standards shall be permitted.

“Tested Year” means any full Year that commenced at least eighteen (18) months following the Initial Effective Date but excluding any Year in which the Hotel was undergoing Major Renovation and any Year which commenced less than twelve (12) months following substantial completion of such Major Renovation.

“Term” has the meaning ascribed to such term in Section 2.01.A.

“Termination Fee” means, an amount equal to the present value of the payments that would have been made to Manager between the date of termination and the scheduled expiration date of the Term (including any Renewal Terms) as Base Management Fee, Reservation Fee, System Fee and the Incentive Management Fee if this Agreement had not been terminated, calculated based upon the average of each of such fees earned in each of the three (3) calendar years ended prior to the date of termination, discounted at an annual rate equal to the Discount Rate.

“Trade Names” has the meaning ascribed to such term in Section 11.10.

“Uniform System of Accounts” means the Uniform System of Accounts for the Lodging Industry, Tenth Revised Edition, 2006, as published by the American Hotel & Lodging Educational Institute, as revised from time to time to the extent such revision has been or is in the process of being generally implemented within the System.

“Unsuitable for Its Permitted Use” means a state or condition of the Hotel such that (a) following any damage or destruction involving the Hotel, the Hotel cannot be operated in the good faith judgment of Manager on a commercially practicable basis and it cannot reasonably be expected to be restored to substantially the same condition as existed immediately before such damage or destruction, within nine (9) months following such damage or destruction or such shorter period of time as to which business interruption insurance is available to cover rent and other costs related to the Hotel following such damage or destruction, or (b) as the result of a partial Condemnation, the Hotel cannot be operated, in the good faith judgment of Manager on a commercially practicable basis in light of then existing circumstances.

“Working Capital” means funds that are used in the day-to-day operation of the business of the Hotel.

“Year” means the calendar year.

12.02 Construction. The definitions of terms herein shall apply equally to the singular, plural, past, present and future forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “herein,” “hereof” and “hereunder,” and words of similar import when used in this Agreement shall be construed to refer to this Agreement in its entirety and not to any particular provision thereof, (iv) all references in this Agreement to Articles, Sections and Exhibits shall be construed to refer to Articles and Sections of, and Exhibits to, this Agreement, and (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time. Any titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the text of this Agreement.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal as of the day and year first written above.

Sonesta International Hotels Corporation

By: /s/ Carlos R. Flores

Carlos R. Flores

President and Chief Executive Officer

Cambridge TRS, Inc.

By: /s/ John G. Murray

John G. Murray

President and Chief Executive Officer

Landlord, in consideration of the obligations of Manager and Owner under the within Agreement, joins to evidence its agreement to be bound by the terms of Sections 4.01.C, 4.02.B, 5.04, 5.05, 5.06.D, Article VI, 8.01, 8.02, 8.04, 10.02, 10.03, 11.07, 11.17, 11.18 and 11.20, to the extent applicable to it.

HPT IHG-2 Properties Trust

By: /s/ John G. Murray
 John G. Murray
 President and Chief Executive Officer

EXHIBIT A

THE SITE

The real property located at 130 Shipyard Drive, Hilton Head, SC.

Schedule to Exhibit 10.4

There are 14 amended and restated management agreements with Sonesta International Hotels Corporation and its subsidiaries, or Sonesta, for hotels which we and Sonesta have designated as Non-Sale Hotels, a representative form of which is filed as Exhibit 10.4 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and which is incorporated herein by reference. The other 13 amended and restated management agreements, with the respective parties and applicable to the respective hotels listed below, are substantially identical in all material respects to the representative form of amended and restated management agreement.

Owner	Hotel	Landlord	Date of A&R Agreement	Date of Original Agreement	Invested Capital Amount
Cambridge TRS, Inc.	Royal Sonesta Cambridge 40 Edwin H. Land Boulevard Cambridge, MA 02142	HPT Cambridge LLC	February 27, 2020	January 31, 2012	\$126,959,764
Cambridge TRS, Inc.	Royal Sonesta New Orleans 300 Bourbon Street New Orleans, LA	Royal Sonesta, Inc.	February 27, 2020	January 31, 2012	\$175,587,184
Cambridge TRS, Inc.	Sonesta Hilton Head	HPT IHG-2 Properties Trust	February 27, 2020	April 23, 2012	\$49,183,633
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Cambridge TRS, Inc.	Royal Sonesta Harbor Court Baltimore 550 Light Street Baltimore, MD	Harbor Court Associates, LLC	February 27, 2020	May 31, 2012	\$19,055,410
Cambridge TRS, Inc.	Sonesta Hotel Philadelphia 1800 Market Street Philadelphia, PA	HPT IHG-2 Properties Trust	February 27, 2020	June 18, 2012	\$53,048,590
Cambridge TRS, Inc.	Sonesta ES Suites Orlando 8480 International Drive, Orlando, FL	HPT IHG-2 Properties Trust	February 27, 2020	July 6, 2012	\$22,083,200
Cambridge TRS, Inc.	Royal Sonesta Houston Hotel 2222 West Loop South Houston, TX	HPT IHG-2 Properties Trust	February 27, 2020	July 16, 2012	\$32,995,868
Cambridge TRS, Inc.	Sonesta Fort Lauderdale 999 North Fort Lauderdale Beach Boulevard Fort Lauderdale, FL	HPT IHG-2 Properties Trust	February 27, 2020	May 30, 2014	\$42,173,235
Cambridge TRS, Inc.	Sonesta Silicon Valley 1820 Barber Lane Milpitas, CA	HPT IHG-2 Properties Trust	February 27, 2020	December 5, 2016	\$44,911,454
Cambridge TRS, Inc.	Royal Sonesta Chase Park Plaza 212-232 Kingshighway Boulevard St. Louis, MO	HPT IHG-2 Properties Trust	February 27, 2020	June 2, 2017	\$64,693,612
HPT Clift TRS LLC	The Clift Royal Sonesta Hotel 495 Geary Street San Francisco, CA	HPT Geary Properties Trust	February 27, 2020	May 8, 2018	\$129,855,252
Cambridge TRS, Inc.	Sonesta Suites Scottsdale 7300 East Gainey Suites Drive, Scottsdale, AZ	HPT IHG-2 Properties Trust	February 27, 2020	October 30, 2018	\$23,500,000
Cambridge TRS, Inc.	The Sonesta Irvine 17941 Von Karman Avenue Irvine, CA	HPT IHG-2 Properties Trust	February 27, 2020	November 1, 2019	\$28,949,774
HPT Wacker Drive TRS LLC	The Royal Sonesta Chicago 71 East Wacker Drive Chicago, IL	HPT IHG-2 Properties Trust	February 27, 2020	November 1, 2019	\$49,663,055

1. Sonesta ES Suites Orlando's applicable management agreement provides that (i) the base management fee Sonesta earns is three percent (3%) of applicable

gross revenues and (ii) an advance was made to Sonesta, for working capital, on the effective

date in an amount equal to \$750 multiplied by the number of guests rooms in such hotel, and on the date of the agreement an additional \$250 multiplied by the number of guest rooms in such hotel.

2. Sonesta Suites Scottsdale's applicable management agreement provides that (i) the base management fee Sonesta earns is three percent (3%) of applicable gross revenues and (ii) an advance was made to Sonesta, for working capital, on the effective date in an amount equal to \$750 multiplied by the number of guests rooms in such hotel, and on the date of the agreement an additional \$250 multiplied by the number of guest rooms in such hotel.

SONESTA ES Suites Atlanta

Amended and Restated

MANAGEMENT AGREEMENT

by and between

SONESTA INTERNATIONAL HOTELS CORPORATION

as “MANAGER”

AND

Cambridge TRS, Inc.

as “OWNER”

Dated as of February 27, 2020

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THIS AMENDED AND RESTATED MANAGEMENT AGREEMENT (this “**Agreement**”) is executed as of February 27, 2020 (the “**Effective Date**”), by Cambridge TRS, Inc., a Maryland corporation (“**Owner**”), and Sonesta International Hotels Corporation, a Maryland corporation (“**Manager**”).

RECITALS:

- A. HPT IHG-2 Properties Trust (“**Landlord**”) is the owner of fee title to the real property (the “**Site**”) described on Exhibit A to this Agreement on which certain improvements have been constructed consisting of a building or buildings containing 122 Guest Rooms, and certain other amenities and related facilities (collectively, the “**Building**”). The Site and the Building, in addition to certain other rights, improvements, and personal property, are referred to as the “**Hotel**” and more particularly described in the definition in Section 12.01. Pursuant to the Lease, Landlord has leased the Hotel to Owner.
- B. Owner and Manager have previously entered into a Management Agreement, dated as of August 6, 2012 (the “**Initial Effective Date**”), as amended, pursuant to which Owner engaged Manager to manage and operate the Hotel (the “**Prior Management Agreement**”). Manager and Owner desire to amend and restate the terms and provisions of the Prior Management Agreement in their entirety and replace them with the terms and provisions of this Agreement effective as of 12:01 a.m. on the Effective Date.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged, Owner and Manager agree as follows:

Article I

APPOINTMENT OF MANAGER

1.01 Appointment. Subject to the provisions of this Agreement, Owner hereby engages Manager to supervise, direct and control the management and operation of the Hotel during the Term. Manager accepts such engagement and agrees to manage and operate the Hotel during the Term in accordance with the terms and conditions of this Agreement. The Hotel shall be known as Sonesta ES Suites Atlanta. All capitalized terms shall have the meaning ascribed to them in Article XII.

1.02 Management of the Hotel.

A. The management and operation of the Hotel shall be under the exclusive supervision and control of Manager except as otherwise specifically provided in this Agreement. Manager shall manage and operate the Hotel in an efficient and economical manner consistent with standards prevailing in other hotels in the System, including all activities in connection therewith which are customary and usual to such an operation (provided, however, that if the market area or the physical peculiarities of the Hotel warrant, in the reasonable judgment of Manager, a deviation from such standards shall be permitted (the “**Operating Standards**”). Manager shall, in accordance with the System Standards, the Operating Standards and the terms of this Agreement:

1. Recruit, employ, supervise, direct and (when appropriate) discharge the employees at the Hotel.
2. Establish Guest Room rates and prices, rates and charges for services provided in the Hotel.
3. Establish administrative policies and procedures, including policies and procedures for employment, control of revenue and expenditures, maintenance of bank accounts for the purchasing of supplies and services, control of credit, and scheduling of maintenance and verify that the foregoing procedures are operating in a sound manner.
4. Manage expenditures to replenish Inventories and Fixed Asset Supplies, make payments on accounts payable and collect accounts receivable.
5. Arrange for and supervise public relations and advertising and prepare marketing plans.
6. Procure all Inventories and replacement Fixed Asset Supplies.
7. Prepare and deliver Monthly Statements, Annual Operating Statements, Annual Operating Projections, Capital Estimates, Capital Statements and such other information required by this Agreement or as Owner may reasonably request.
8. Plan, execute and supervise repairs, maintenance, alterations and improvements at the Hotel.
9. Provide, or cause to be provided, risk management services relating to the types of insurance required to be obtained or provided by Manager under this Agreement and provide such information related to risk management as Owner may from time to time reasonably request.
10. Obtain and keep in full force and effect, either in its own name or in Owner's and/or Landlord's name, as may be required by applicable law, any and all licenses and permits to the extent within the control of Manager (or, if not within the control of Manager, Manager shall use commercially reasonable efforts to obtain and keep same in full force and effect).
11. Reasonably cooperate in a Sale of the Hotel or in obtaining a Mortgage.
12. On behalf of Owner, negotiate, enter into and administer leases, subleases, licenses and concession agreements for all public space at the Hotel (including all retail, office and lobby space and antenna leases on rooftop areas) and administer, comply with and arrange for extensions of any ground lease or common interest realty associations as necessary.
13. On behalf of Owner, negotiate, enter into and administer service contracts and licenses for the operation of the Hotel, including contracts and licenses for health and safety, systems maintenance, electricity, gas, telephone, cleaning, elevator and boiler maintenance, air conditioning maintenance, laundry and dry cleaning, master television service, internet service,

use of copyrighted materials (such as music and videos), entertainment and other services as Manager deems advisable.

14. Negotiate, enter into and administer contracts for the use of banquet and meeting facilities and Guest Rooms by groups and individuals.

15. Take reasonable action to collect and institute in its own name or in the name of Owner or the Hotel, in each instance as Manager in its reasonable discretion deems appropriate, legal actions or proceedings to collect charges, rent or other income derived from the operation of the Hotel or to oust or dispossess guests, tenants, members or other persons in possession therefrom, or to cancel or terminate any lease, license or concession agreement for the breach thereof or default thereunder by Owner, licensee or concessionaire.

16. Make representatives available to consult with and advise Owner, at Owner's reasonable request, concerning policies and procedures affecting the conduct of the business of the Hotel.

17. Collect on behalf of Owner and account for and remit to governmental authorities all applicable excise, sales, occupancy and use taxes or similar governmental charges collected by or at the Hotel directly from guests, members or other patrons, or as part of the sales price of any goods, services or displays, such as gross receipts, admission or similar or equivalent taxes, duties, levies or charges.

18. Keep Owner advised of significant events which occur with respect to the Hotel which might reasonably be expected to have a material adverse effect on the financial performance or value of the Hotel.

19. Perform such other tasks with respect to the Hotel as are customary and consistent with the Operating Standards and the System Standards.

B. Manager shall use commercially reasonable efforts to comply with all Legal Requirements and Insurance Requirements pertaining to its operation of the Hotel.

C. Manager shall use commercially reasonable efforts to obtain and maintain all approvals necessary to use and operate the Hotel in accordance with the System Standards, Operating Standards and Legal Requirements. Owner shall cooperate with Manager and shall (or cause Landlord to) execute all applications and consents reasonably required to be executed by Owner in order for Manager to obtain and maintain such approvals.

D. Manager shall not use, and shall exercise commercially reasonable efforts to prevent the use of, the Hotel and Owner's Personal Property, if any, for any unlawful purpose. Manager shall not commit, and shall use commercially reasonable efforts to prevent the commission of, any waste at the Hotel. Manager shall not use, and shall use commercially reasonable efforts to prevent the use of, the Hotel in such a manner as will constitute an unlawful nuisance. Manager shall use commercially reasonable efforts to prevent the use of the Hotel in such a manner as might reasonably be expected to impair Owner's or Landlord's title thereto or any portion thereof or might reasonably be expected to give rise for a claim or claims for adverse

use or adverse possession by the public, or of implied dedication of the Hotel or any portion thereof.

1.03 Services Provided by Manager.

E. Manager shall furnish certain services, from time to time during the Term, which are furnished generally on a central or regional basis to other hotels in the System which are managed by Manager, and which benefit the Hotel as a participant in the System, such as: national sales office services; central operational support for rooms, food and beverage and engineering; central training services; career development; management personnel relocation; central safety and loss prevention services; central advertising and promotion (including direct and image media and advertising administration); consumer affairs to the extent not charged or allocated directly to the Hotel; the national reservations system service and inventory and revenue management services; centralized payroll and accounting services; computer system development, support and operating costs; and central monitoring and management support from "line management" personnel such as area managers.

Other than the charges for the national reservation system services, for which Manager receives the Reservation Fee, the Loyalty Program Fee and the Marketing Program Fee, the charges for the services listed in this Section 1.03.A. shall not be separately compensated and are included in the System Fee.

F. Notwithstanding the foregoing, if after Effective Date it is determined that there are central or regional services which may be furnished for the benefit of hotels in the System or in substitution for services now performed at individual hotels which may be more efficiently or effectively performed on a group basis, Manager shall furnish such services and Owner and Manager shall reasonably agree on the allocation of the costs thereof to the affected Hotels, which agreement shall be reflected in an approved Annual Operating Projection.

1.04 Employees.

G. All personnel employed at the Hotel shall at all times be the employees of Manager. Subject to the terms of this Agreement, Manager shall have absolute discretion with respect to all personnel employed at the Hotel, including, without limitation, decisions regarding hiring, promoting, transferring, compensating, supervising, terminating, directing and training all employees at the Hotel, and, generally, establishing and maintaining all policies relating to employment; provided Manager shall not enter into any written employment agreements with any person which purport to bind Owner and/or purport to be effective regardless of a termination, without obtaining Owner's consent. Manager shall comply with all Legal Requirements regarding labor relations; if either Manager or Owner shall be required, pursuant to any such Legal Requirement, to recognize a labor union or to enter into a collective bargaining with a labor union, the party so required shall promptly notify the other party. Manager shall have the authority to negotiate and settle labor union contracts with union employees and union representatives and Manager is authorized to settle labor disputes and administrative claims as may be routinely necessary in the daily management of the Hotel, provided Owner shall be given prompt notice of any negotiations which could reasonably be expected to result in contracts which would bind Owner and shall be provided with any written materials in connection

therewith and at least ten (10) days prior to execution of any contract or amendment. Manager shall indemnify Owner and Landlord for all costs and expenses (including reasonable attorneys' fees) incurred by either of them if either of them are joined in or made party to any suit or cause of action alleging that Manager has failed to comply with all Legal Requirements pertaining to the employment of Manager's employees at the Hotel.

H. Manager shall have the authority to hire, dismiss or transfer the Hotel's general manager, provided Manager shall keep Owner reasonably informed with respect to such actions. Upon Owner's request, Manager will provide the Owner the opportunity to interview general manager candidates before they are hired.

I. Manager shall decide which, if any, of the employees of the Hotel shall reside at the Hotel (provided that Owner's prior approval shall be obtained if more than two (2) such employees and their immediate families reside at the Hotel), and shall be permitted to provide free accommodations and amenities to its employees and representatives living at or visiting the Hotel in connection with its management or operation consistent with Manager's usual practices for hotels in the System. No person shall otherwise be given gratuitous accommodations or services without prior approval of Owner and Manager, except in accordance with usual practices of the hotel and travel industry.

1.05 Right to Inspect. Manager shall permit Owner and Landlord and their respective authorized representatives to inspect or show the Hotel during usual business hours upon not less than twenty-four (24) hours' notice and to make such repairs as Owner and Landlord are permitted or required to make pursuant to the terms of the Lease, provided that any inspection or repair by Owner or Landlord or their representatives shall not unreasonably interfere with the use and operation of the Hotel and further provided that in the event of an emergency as determined by Owner or Landlord in its reasonable discretion, prior notice shall not be required.

Article II

TERM

2.01 Term.

A. The term of this Agreement (the "**Term**") shall begin on the Effective Date and shall continue until January 31, 2037.

2.02 Early Termination. Without limiting either party's right to terminate this Agreement under any other provision of this Agreement:

B. Owner may terminate this Agreement without cause at any time upon sixty (60) days' notice to Manager and such termination shall otherwise be in accordance with the provisions of Section 11.09.

Article III

COMPENSATION OF MANAGER; DISBURSEMENTS

3.01 Fees. In consideration of the management services to be performed during the Term, Manager shall be paid the sum of the following:

- A. Base Management Fee;
- B. Reservation Fee;
- C. System Fee;
- D. Procurement and Construction Supervision Fee;
- E. Loyalty Program Fee;
- F. Marketing Program Fee; and
- G. Incentive Management Fee.

3.02 Disbursements. Gross Revenues shall be distributed in the following order of priority:

- H. First, to pay all Deductions (excluding the Base Management Fee, the Reservation Fee and the System Fee);
- I. Second, to Manager, an amount equal to the Base Management Fee, the Reservation Fee and the System Fee;
- J. Third, to Owner, an amount equal to Owner's Priority;
- K. Fourth, *pari passu*, (i) to Owner, in an amount necessary to reimburse Owner for all Owner Working Capital Advances and Owner Operating Loss Advances (collectively, "**Owner Advances**") which have not yet been repaid pursuant to this Section 3.02, and (ii) to Manager, in an amount necessary to reimburse Manager for all Additional Manager Advances which have not yet been repaid pursuant to this Section 3.02. If at any time the amounts available for distribution to Owner and Manager pursuant to this Section 3.02 are insufficient (a) to repay all outstanding Owner Advances, and (b) all outstanding Additional Manager Advances, then Owner and Manager shall be paid from such amounts the amount obtained by multiplying a number equal to the amount of the funds available for distribution by a fraction, the numerator of which is the sum of all outstanding Owner Advances, or all outstanding Additional Manager Advances, as the case may be, and the denominator of which is the sum of all outstanding Owner Advances plus the sum of all outstanding Additional Manager Advances;
- L. Fifth, to Manager, an amount equal to the Incentive Management Fee; and
- M. Finally, to Owner, the Owner's Residual Payment.

3.03 Timing of Payments.

A. Payment of the Deductions, excluding the Base Management Fee, the Reservation Fee and the System Fee, shall be made in the ordinary course of business. The Base Management Fee, the Reservation Fee, the System Fee, the Owner's Priority, the Incentive Management Fee and the Owner's Residual Payment shall be paid on or before the twentieth (20th) day after close of each calendar month, based upon Gross Revenues or Gross Room Revenues, as the case may be, as reflected in the Monthly Statement for such month. The Owner's Priority shall be determined based upon Invested Capital most recently reported to Manager by Owner. If any installment of the Base Management Fee, the Reservation Fee, the System Fee or the Owner's Priority is not paid when due, it shall accrue interest at the Interest Rate. Calculations and payments of the Incentive Management Fee and/or the Owner's Residual Payment with respect to each calendar month within a calendar year shall be accounted for cumulatively based upon the year-to-date Operating Profit as reflected in the Monthly Statement for such calendar month and shall be adjusted to reflect distributions for prior calendar months in such year. Additional adjustments to all payments will be made on an annual basis based upon the Annual Operating Statement for the Year and any audit conducted pursuant to Section 4.02.B.

B. Subject to Section 3.03.C, if the portion of Gross Revenues to be distributed to Manager or Owner pursuant to Section 3.02 is insufficient to pay amounts then due in full, any amounts left unpaid shall be paid from and to the extent of Gross Revenues available therefor at the time distributions are made in successive calendar months until such amounts are paid in full, together with interest thereon, if applicable, and such payments shall be made from such available Gross Revenues in the same order of priority as other payments made on account of such items in successive calendar months.

C. Other than with respect to Reimbursable Advances, calculations and payments of the fees and other payments in Section 3.02 and distributions of Gross Revenues within a Year shall be accounted for cumulatively within a Year, but shall not be cumulative from one Year to the next. Calculations and payments of Reimbursable Advances shall be accounted for cumulatively within a Year and shall be cumulative from one Year to the next.

Article IV

ACCOUNTING, BOOKKEEPING AND BANK ACCOUNTS; WORKING CAPITAL AND OPERATING LOSSES

4.01 Accounting, Interim Payment and Annual Reconciliation.

A. Within fifteen (15) days after the close of each calendar month, Manager shall deliver an accounting (the "**Monthly Statement**") to Owner showing Gross Revenues, Gross Room Revenues, occupancy percentage and average daily rate, Deductions, Operating Profit, and applications and distributions thereof for the preceding calendar month and year-to-date.

B. Within forty-five (45) days after the end of each Year, Manager shall deliver to Owner and Landlord a statement (the "**Annual Operating Statement**") in reasonable detail summarizing the operations of the Hotel for the immediately preceding Year and an Officer's

Certificate setting forth the totals of Gross Revenues, Deductions, and the calculation of the Incentive Management Fee and Owner's Residual Payment for the preceding Year and certifying that such Annual Operating Statement is true and correct. Manager and Owner shall, within ten (10) Business Days after Owner's receipt of such statement, make any adjustments, by cash payment, in the amounts paid or retained for such Year as are required because of variances between the Monthly Statements and the Annual Operating Statement. Any payments shall be made together with interest at the Interest Rate from the date such amounts were due or paid, as the case may be, until paid or repaid. The Annual Operating Statement shall be controlling over the Monthly Statements and shall be final, subject to adjustments required as a result of an audit requested by Owner or Landlord pursuant to Section 4.02.B.

C. 1. In addition, Manager shall provide such information relating to the Hotel and public information relating to Manager and its Affiliates that (a) may be reasonably required in order for Landlord, Owner or SVC, to prepare financial statements in accordance with GAAP or to comply with applicable securities laws and regulations and the SEC's interpretation thereof, (b) may be reasonably required for Landlord, Owner or SVC, as applicable, to prepare federal, state or local tax returns, or (c) is of the type that Manager customarily prepares for other hotel owners. The foregoing does not constitute an agreement by Manager either to join Landlord, Owner or SVC, as applicable, in a filing with or appearance before the SEC or any other regulatory authority or to take or consent to any other action which would cause Manager to be liable to any third party for any statement or information other than those statements incorporated by reference pursuant to clause (a) above.

1. Owner may at any time, and from time to time, provide copies of any of the statements furnished under this Section 4.01 to any Person which has made or is contemplating making a Mortgage, or a prospective purchaser in connection with a Sale of the Hotel, subject to such Person entering into a confidentiality agreement with Manager as Manager may reasonably require.

2. In addition, Owner or Landlord shall have the right, from time to time at Owner's or Landlord's as the case may be, sole cost and expense, upon reasonable notice, during Manager's customary business hours, to cause Manager's books and records with respect to the Hotel to be audited by auditors selected by Owner or Landlord, as applicable, at the place or places where such books and records are customarily kept.

4.02 Books and Records.

A. Books of control and account pertaining to operations at the Hotel shall be kept on the accrual basis and in all material respects in accordance with the Uniform System of Accounts and with GAAP (provided that, to the extent of a conflict, GAAP shall control over the Uniform System of Accounts), or in accordance with such industry standards or such other standards with which Manager is required to comply from time to time, with the exceptions, if any, provided in this Agreement, to the extent applicable which will accurately record the Gross Revenues and the application thereof. Manager shall retain, for at least three (3) years after the expiration of each Year, reasonably adequate records showing Gross Revenues and the application thereof for such Year. The provisions of this Section 4.02.A shall survive termination.

B. Owner and Landlord may at reasonable intervals during Manager's normal business hours, examine such books and records including, without limitation, supporting data and sales and excise tax returns. If Owner or Landlord desires, at its own expense, to audit, examine, or review the Annual Operating Statement, it shall notify Manager in writing within one (1) year after receipt of such statement of its intention to audit and begin such audit within such one (1) year after Manager's receipt of such notice. Owner or Landlord, as the case may be, shall use commercially reasonable efforts to complete such audit as soon as practicable after the commencement thereof, subject to reasonable extension if Landlord's or Owner's accountant's inability to complete the audit within such time is caused by Manager. If neither Landlord nor Owner makes such an audit, then such statement shall be deemed to be conclusively accepted by Owner as being correct, and neither Landlord nor Owner shall have any right thereafter, except in the event of fraud by Manager, to question or examine the same. If any audit by Owner or Landlord discloses an understatement or overpayment of any net amounts due Owner or Manager, Manager shall promptly after completion of the audit, render a statement to Owner and Landlord setting forth the adjustments required to be made to the distributions under Section 3.02 for such Year as a result of such audit and Owner and Manager, as the case may be, shall make any additional payments required to comply with such revised statement together with interest at the Interest Rate from the date when due or overpaid. Any dispute concerning the correctness of an audit shall be settled by arbitration. Manager shall pay the cost of any audit revealing understatement of Operating Profit by more than three percent (3%), and such amount shall not be a Deduction. The provisions of this Section 4.02.B shall survive termination.

4.02 Accounts. All funds derived from the operation of the Hotel shall be deposited by Manager in a bank account(s) in a bank designated by Manager. Withdrawals from such accounts shall be made solely by representatives of Manager whose signatures have been authorized. Reasonable petty cash shall be maintained at the Hotel.

4.03 Annual Operating Projection. Manager shall furnish to Owner for its review and comment, at least sixty (60) days prior to the beginning of each Year, a statement of the estimated financial results of the operation of the Hotel for the forthcoming Year ("**Annual Operating Projection**"). Such projection shall project the estimated Gross Revenues, Deductions, and Operating Profit. Manager agrees to make qualified personnel from Manager's staff available to explain such Annual Operating Projections, at Owner's request. Manager will at all times give good faith consideration to Owner's suggestions regarding any Annual Operating Projection. Manager shall thereafter submit to Owner, by no later than January 2nd of such Year, a modified Annual Operating Projection if any changes are made following receipt of comments from Owner. Manager shall endeavor to adhere to the Annual Operating Projection. It is understood, however, that the Annual Operating Projection is an estimate only and that unforeseen circumstances including the costs of labor, material, services and supplies, casualty, operation of law, or economic and market conditions may make adherence to the Annual Operating Projection impracticable, and Manager shall be entitled to depart therefrom due to causes of the foregoing nature; provided, however, that nothing herein shall be deemed to authorize Manager to take any action prohibited by this Agreement or to reduce Manager's other rights or obligations hereunder.

4.05 Working Capital. On the Initial Effective Date, Owner advanced to Manager, as Working Capital, an amount equal to \$750 multiplied by the number of Guest Rooms. Upon

notice from Manager, Owner shall have the right, without any obligation and in its sole discretion, to advance additional funds necessary to maintain Working Capital (“**Additional Working Capital**”) at levels determined by Manager to be reasonably necessary to satisfy the needs of the Hotel as its operation may from time to time require within ten (10) Business Days of such request. Any such request by Manager shall be accompanied by a reasonably detailed explanation of the reasons for the request. If Owner does not advance such Additional Working Capital, Manager shall have the right, without any obligation and in its sole discretion, to fund Additional Working Capital within ten (10) Business Days after such initial ten (10) day period. All such advances shall be Owner Working Capital Advances or Additional Manager Advances, as applicable. If neither party elects to fund Additional Working Capital, Manager may elect, by notice to Owner given within thirty (30) days thereafter, to terminate this Agreement, which termination shall be effective thirty (30) days after the date such notice is given.

4.06 Operating Losses. To the extent there is an Operating Loss for any calendar month, Owner shall have the right, without any obligation and in its sole discretion, to fund such Operating Loss within twenty (20) days after Manager has delivered notice thereof to Owner and any Operating Loss funded by Owner shall be a “**Owner Operating Loss Advance**.” If Owner does not fund such Operating Loss, Manager shall have the right, without any obligation and in its sole discretion, to fund such Operating Loss within twenty (20) days after such initial twenty (20) day period, and any Operating Loss so funded by Manager shall be an Additional Manager Advance. If neither party elects to fund such Operating Loss, Manager may elect, by notice to Owner given within thirty (30) days thereafter, to terminate this Agreement, which termination shall be effective thirty (30) days after the date such notice is given.

Article V

REPAIRS, MAINTENANCE AND REPLACEMENTS

5.01 Manager’s Maintenance Obligation. Manager shall maintain the Hotel, including all private roadways, sidewalks and curbs located thereon, in good order and repair, reasonable wear and tear excepted, and in conformity with Legal Requirements, Insurance Requirements, System Standards and any Existing CC&Rs or Future CC&Rs. Manager shall promptly make or cause to be made all necessary and appropriate repairs, replacements, renewals, and additions thereto of every kind and nature, whether interior or exterior, structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition existing prior to the commencement of the Term. All repairs, renovations, alterations, improvements, renewals, replacements or additions shall be made in a good, workmanlike manner, consistent with Manager’s and industry standards for like hotels in like locales, in accordance with all applicable federal, state and local statutes, ordinances, by-laws, codes, rules and regulations relating to any such work. Manager shall not take or omit to take any action, with respect to the Hotel the taking or omission of which would materially and adversely impair the value of the Hotel or any part thereof for its use as a hotel. The cost and expense incurred in connection with Manager’s obligations hereunder shall be paid either from Gross Revenues or Working Capital or from funds provided by Owner or Landlord, as the case may be.

5.02 Repairs and Maintenance to be Paid from Gross Revenues. Manager shall promptly make or cause to be made, such routine maintenance, repairs and minor alterations as it

determines are necessary to comply with Manager's obligations under Section 5.01. The phrase "routine maintenance, repairs, and minor alterations" shall include only those which are normally expensed under GAAP. The cost of such maintenance, repairs and alterations shall be paid from Gross Revenue or Working Capital.

5.03 Repairs and Maintenance to be Paid by Owner or Landlord. To the extent funds are provided by Owner or Landlord under Section 5.05, Manager shall promptly make or cause to be made, all of the items listed below as are necessary to comply with Manager's obligations under Section 5.01:

1. Replacements, renewals and additions related to the FF&E;
2. Routine or non-major repairs, renovations, renewals, additions, alterations, improvements or replacements and maintenance which are normally capitalized (as opposed to expensed) under GAAP, such as exterior and interior repainting; resurfacing building walls, floors, roofs and parking areas; and replacing folding walls and the like (but which are not major repairs, alterations, improvements, renewals, replacements, or additions to the Hotel's structure, roof, or exterior façade, or to its mechanical, electrical, heating, ventilating, air conditioning, plumbing or vertical transportation systems); and
3. Major repairs, renovations, additions, alterations, improvements, renewals or replacements to the Hotel including, without limitation, with respect to its structure, roof, or exterior façade, and to its mechanical, electrical, heating, ventilating, air conditioning, plumbing or vertical transportation systems.

In consideration for Manager's services under this Section 5.03, Manager shall receive the Procurement and Construction Supervision Fee which shall be paid on the last Business Day of the calendar month following the calendar quarter to which the Procurement and Construction Supervision Fee relates, in arrears, based upon the prior month's Capital Statement.

5.04 [Reserved].

5.05 Capital Estimate.

A. Manager shall prepare and deliver to Owner and Landlord for their review and approval, at the same time the Annual Operating Projection is submitted, an estimate for the Hotel of the capital expenditures necessary during the forthcoming Year for replacements, renewals, and additions to the FF&E of the Hotel and repairs, renovations, additions, alterations, improvements, renewals or replacements to the Hotel of the nature described in Section 5.03 (a "**Capital Estimate**"). Manager agrees to make qualified personnel from Manager's staff available to explain each Capital Estimate, at Owner's request. Failure of Owner or Landlord to approve or disapprove a Capital Estimate within twenty (20) Business Days after receipt of all information and materials requested by Owner or Landlord in connection therewith shall be deemed to constitute approval.

B. If any dispute shall arise with respect to the approval by either Owner or Landlord of a Capital Estimate, Manager shall meet with Owner and Landlord to discuss the objections,

and Manager, Owner and Landlord shall attempt in good faith to resolve any disagreement relating to the Capital Estimate. If after sixty (60) days such disagreement has not been resolved, any party may submit the issue to arbitration.

C. Provided that there then exists no Manager Event of Default, and Manager shall otherwise comply with the provisions of Section 5.06, as applicable, Owner shall, within ten (10) Business Days after notice given not more often than monthly, disburse (or cause Landlord to disburse) such funds as are required to fund the capital expenditures in an approved Capital Estimate to Manager.

D. A failure or refusal by Owner or Landlord to provide the additional funds required under an approved Capital Estimate (including after resolution by arbitration, if applicable) shall entitle Manager, at its option, to notify Owner and Landlord that Manager will terminate this Agreement. If Owner or Landlord does not make the funds available within thirty (30) days after receipt of such notice of intent to terminate, Manager may, without obligation and in its sole discretion, fund all or a portion of the amounts required and any amounts funded by Manager shall constitute an Additional Manager Advance, or elect to terminate this Agreement by notice to Owner given within thirty (30) days thereafter and this Agreement shall terminate as of the date that is one hundred eighty (180) days after the date of Owner's receipt of Manager's notice.

5.06 Additional Requirements.

A. All expenditures from the amounts funded pursuant to the Capital Estimate shall be (as to both the amount of each such expenditure and the timing thereof) both reasonable and necessary given the objective that the Hotel will be maintained and operated to a standard comparable to competitive properties and in accordance with the System Standards.

B. Manager shall provide to Owner and Landlord within twenty (20) days after the end of each calendar month, a statement ("**Capital Statement**") setting forth, on a line item basis, expenditures made to date and any variances or anticipated variances and/or amendments from the applicable Capital Estimate.

C. Owner and Landlord may not withhold their approval of a Capital Estimate with respect to such items as are (1) required in order for the Hotel to comply with System Standards, except during the last two (2) years of the Term, during which time approval may be withheld in Owner's or Landlord's discretion; or (2) required by reason of or under any Insurance Requirement or Legal Requirement, or otherwise required for the continued safe and orderly operation of the Hotel.

5.07 Ownership of Replacements. All repairs, renovations, additions, alterations, improvements, renewals or replacements made pursuant to this Agreement, shall, except as otherwise provided in this Agreement, be the property of Landlord or Owner, as applicable, as provided under the Lease.

Article VI

INSURANCE, DAMAGE, CONDEMNATION, AND FORCE MAJEURE

6.01 General Insurance Requirements. Manager shall, at all times during the Term, keep (or cause to be kept) the Hotel and all property located therein or thereon, insured against the risks, including business interruption, and in such amounts as Owner and Manager shall agree and as may be commercially reasonable. Any disputes regarding such matters not resolved by the parties within ten (10) Business Days (which period may be extended upon mutual agreement of the parties) shall be resolved by arbitration.

6.02 Waiver of Subrogation. Owner and Manager agree that (insofar as and to the extent that such agreement may be effective without invalidating or making it impossible to secure insurance coverage from responsible insurance companies doing business in the State) with respect to any property loss which is covered by insurance then being carried by Owner or Manager, the party carrying such insurance and suffering said loss releases the others of and from any and all claims with respect to such loss; and they further agree that their respective insurance companies (and, if Owner or Manager shall self insure in accordance with the terms hereof, Owner or Manager, as the case may be) shall have no right of subrogation against the other on account thereof, even though extra premium may result therefrom. If any extra premium is payable by Manager as a result of this provision, Owner shall not be liable for reimbursement to Manager for such extra premium.

6.03 Risk Management. Manager shall be responsible for the provision of risk management oversight at the Hotel.

6.04 Damage and Repair.

A. If, during the Term, the Hotel shall be totally or partially destroyed and the Hotel is thereby rendered Unsuitable for Its Permitted Use, (1) Manager may terminate this Agreement by sixty (60) days notice to Owner and Landlord, or (2) Owner may terminate this Agreement by sixty (60) days notice to Manager and Landlord, whereupon, this Agreement, shall terminate and Landlord shall be entitled to retain the insurance proceeds payable on account of such damage.

B. If, during the Term, the Hotel is damaged or destroyed by fire, casualty or other cause but is not rendered Unsuitable for Its Permitted Use, subject to Sections 6.04.C and 6.04.D, Manager shall cause the Hotel to be repaired and restored, in compliance with all Legal Requirements and Insurance Requirements and so that the Hotel shall be, to the extent practicable, substantially equivalent in value and general utility to its general utility and value immediately prior to such damage or destruction and in compliance with System Standards in consideration of the Procurement and Construction Supervision Fee.

C. 1. If the cost of the repair or restoration of the Hotel is less than the sum of the amount of insurance proceeds received by Owner and Landlord plus the deductible amount, Owner shall (or shall cause Landlord to) make the funds necessary to cause the Hotel to be repaired and restored available to Manager.

2. If the amount of insurance proceeds received by Landlord and Owner plus the deductible amount, is less than the cost of the repair or restoration of the Hotel, Manager shall give notice to Owner and Landlord setting forth the deficiency in reasonable detail. Owner shall have the right, without any obligation and in its sole discretion, to fund the deficiency and

shall give Manager and Landlord notice within twenty (20) days after notice from Manager. If Owner elects not to fund the deficiency, Landlord shall have the right, without obligation and in its sole discretion, to fund the deficiency and shall give Manager and Owner notice within twenty (20) days after notice from Owner. If neither Landlord nor Owner elect to fund the deficiency, this Agreement shall terminate and Landlord shall be entitled to retain the insurance proceeds payable on account of such damage.

D. If Owner is required or if Owner or Landlord elects to make the funds necessary to cause the Hotel to be repaired and restored available to Manager, Owner shall (or shall cause Landlord to) advance the insurance proceeds and any additional amounts payable by Owner or Landlord to Manager regularly during the repair and restoration period. Any such advances shall be made not more frequently than monthly within ten (10) Business Days after Manager submits to Owner a written requisition and substantiation therefor on AIA Forms G702 and G703 (or on such other form or forms as may be reasonably acceptable to Owner and Landlord). Owner or Landlord may condition advancement of the insurance proceeds and other amounts on (i) the absence of an event of default under the Lease, (ii) approval of plans and specifications of an architect satisfactory to Landlord and Owner (which approval shall not be unreasonably withheld or delayed), (iii) general contractors' estimates, (iv) architect's certificates, (v) unconditional lien waivers of general contractors, if available, (vi) evidence of approval by all governmental authorities and other regulatory bodies whose approval is required and (vii) such other certificates as Landlord and Owner may, from time to time, reasonably require. The Procurement and Construction Supervision Fee shall be paid on the last Business Day of the calendar month following the calendar quarter to which the Procurement and Construction Supervision Fee relates, in arrears, based upon requisitions submitted in such calendar quarter.

E. All business interruption insurance proceeds shall be paid to Manager and included in Gross Revenues. Any casualty which does not result in a termination of this Agreement shall not excuse the payment of sums due to Owner hereunder.

F. Manager hereby waives any statutory rights of termination which may arise by reason of any damage to or destruction of the Hotel.

6.05 Damage Near End of Term. Notwithstanding any provisions of Section 6.04 to the contrary, if damage to or destruction of the Hotel occurs during the last twelve (12) months of the Term and if such damage or destruction cannot reasonably be expected to be fully repaired and restored prior to the date that is nine (9) months prior to the end of the Term, the provisions of Section 6.04.A shall apply as if the Hotel had been totally or partially destroyed and rendered Unsuitable for Its Permitted Use.

6.06 Condemnation. If, during the Term, either the whole of the Hotel shall be taken by Condemnation, or a partial Condemnation renders the Hotel Unsuitable for Its Permitted Use, this Agreement shall terminate and Owner and Landlord shall seek the Award for their interests in the Hotel as provided in the Lease. In addition, Manager shall have the right to initiate such proceedings as it deems advisable to recover any damages to which Manager may be entitled; provided, however, that Manager shall be entitled to retain any Award it may obtain through such proceedings which are conducted separately from those of Owner and Landlord only if such Award does not reduce the Award otherwise available to Owner and Landlord. Any Award

received by any Mortgagee under a Mortgage on the Hotel shall be deemed to be an award of compensation received by Landlord.

6.07 Partial Condemnation. If, during the Term, there is a partial Condemnation but the Hotel is not rendered Unsuitable for Its Permitted Use, subject to Section 6.07.A and 6.07.B, Manager shall cause the untaken portion of the Hotel to be repaired and restored, in compliance with all Legal Requirements and Insurance Requirements and so that the untaken portion of the Hotel shall constitute a complete architectural unit of the same general character and condition, to the extent practicable, as the Hotel immediately prior to such partial Condemnation and in compliance with System Standards in consideration of the Procurement and Construction Supervision Fee.

G. If the amount of the Award is less than the cost of the repair and restoration of the Hotel, Manager shall give notice to Owner and Landlord setting forth the deficiency in reasonable detail. Owner shall have the right without any obligation and in its sole discretion, to fund the deficiency and shall give Manager and Landlord notice within twenty (20) days after notice from Manager. If Owner elects not to fund the deficiency, Landlord shall have the right without obligation and in its sole discretion, to fund the deficiency and shall give Manager and Owner notice within twenty (20) days after notice from Owner. If neither Landlord nor Owner elect to fund the deficiency, this Agreement shall terminate and Owner and Landlord shall be entitled to retain the Award.

H. If Owner or Landlord elects to make the funds necessary to cause the Hotel to be repaired and restored available to Manager, Owner shall (or shall cause Landlord to) advance the Award and any additional amounts payable by Owner or Landlord to Manager regularly during the repair and restoration period. Any such advances shall be made not more frequently than monthly within ten (10) Business Days after Manager submits to Owner a written requisition and substantiation therefor on AIA Forms G702 and G703 (or on such other form or forms as may be reasonably acceptable to Owner and Landlord). Owner or Landlord may condition advancement of the insurance proceeds and other amounts on (i) the absence of an event of default under the Lease, (ii) approval of plans and specifications of an architect satisfactory to Landlord and Owner (which approval shall not be unreasonably withheld or delayed), (iii) general contractors' estimates, (iv) architect's certificates, (v) unconditional lien waivers of general contractors, if available, (vi) evidence of approval by all governmental authorities and other regulatory bodies whose approval is required and (vii) such other certificates as Landlord and Owner may, from time to time, reasonably require. The Procurement and Construction Supervision Fee shall be paid on the last Business Day of the calendar month following the calendar quarter to which the Procurement and Construction Supervision Fee relates, in arrears, based upon requisitions submitted in such calendar quarter.

6.08 Temporary Condemnation. In the event of any temporary Condemnation of the Hotel or Owner's interest therein, this Agreement shall continue in full force and effect. The entire amount of any Award made for such temporary Condemnation allocable to the Term, whether paid by way of damages, rent or otherwise, shall be paid to Manager and shall constitute Gross Revenues. A Condemnation shall be deemed to be temporary if the period of such Condemnation is not expected to, and does not, exceed twelve (12) months.

6.09 Allocation of Award. Except as provided in Sections 6.06, 6.08 and this Section 6.09, the total Award shall be solely the property of and payable to Landlord. Any portion of the Award made for the taking of Owner's leasehold interest in the Hotel, loss of business, the taking of Owner's Personal Property, or Owner's removal and relocation expenses shall be the sole property of, and payable to, Owner. Any portion of the Award made for the taking of Manager's interest in the Hotel or Manager's loss of business during the remainder of the Term shall be the sole property of, and payable to, Manager, subject to the provisions of Section 6.06. In any Condemnation proceedings, Landlord, Owner, and Manager shall each seek its own Award in conformity herewith, at its own expense.

6.10 Effect of Condemnation. Any Condemnation which does not result in a termination of this Agreement in accordance with its terms with respect to the Hotel shall not excuse the payment of sums due to Owner hereunder with respect to the Hotel and this Agreement shall remain in full force and effect.

Article VII

TAXES

7.01 Real Estate and Personal Property Taxes.

A. Subject to Section 11.18 relating to permitted contests, Manager shall pay, from Gross Revenues, all Impositions with respect to the Hotel, before any fine, penalty, interest or cost (other than any opportunity cost as a result of a failure to take advantage of any discount for early payment) may be added for non-payment, such payments to be made directly to the taxing authorities where feasible, and shall promptly, upon request, furnish to Landlord and Owner copies of official receipts or other reasonably satisfactory proof evidencing such payments. If any such Imposition may, at the option of the taxpayer, lawfully be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Manager may exercise the option to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments and, in such event, shall pay such installments during the Term as the same become due and before any fine, penalty, premium, further interest or cost may be added thereto. Manager shall, upon request, provide such data as is maintained by Manager with respect to the Hotel as may be necessary to prepare any required returns and reports by Owner or Landlord.

Owner shall give, and will use reasonable efforts to cause Landlord to give, copies of official tax bills and assessments which it may receive with respect to the Hotel and prompt notice to Owner and Manager of all Impositions payable by Owner under the Lease of which Owner or Landlord, as the case may be, at any time has knowledge; provided, however, that Landlord's or Owner's failure to give any such notice shall in no way diminish Manager's obligation hereunder to pay such Impositions (except that Owner or Landlord, as applicable, shall be responsible for any interest or penalties incurred as a result of Landlord's or Owner's, as applicable, failure promptly to forward the same).

B. Notwithstanding anything herein to the contrary, each of Owner and Manager shall pay from its own funds (and not from Gross Revenues of the Hotel) any franchise, corporate, estate, inheritance, succession, capital levy or transfer tax imposed on Owner

or Manager, as applicable, or any income tax imposed (but not gross receipt or general excise taxes) on any income of Owner or Manager (including distributions pursuant to Article III).

Article VIII OWNERSHIP OF THE HOTEL

8.01 Ownership of the Hotel.

A. Owner and Landlord hereby covenant that neither will hereafter impose or consent to the imposition of any liens, encumbrances or other charges, except as follows:

1. easements or other encumbrances that do not adversely affect the operation of the Hotel by Manager and that are not prohibited pursuant to Section 8.02;
2. Mortgages and related security instruments;
3. liens for taxes, assessments, levies or other public charges not yet due or due but not yet payable; or
4. equipment leases for office equipment, telephone, motor vehicles and other property approved by Manager.

B. Subject to liens permitted by Section 8.01.A, Owner and Landlord covenant that, so long as there then exists no Manager Event of Default, Manager shall quietly hold, occupy and enjoy the Hotel throughout the Term free from hindrance, ejection or molestation by Owner or Landlord or other party claiming under, through or by right of Owner or Landlord. Owner agrees to pay and discharge any payments and charges and, at its expense, to prosecute all appropriate actions, judicial or otherwise, necessary to assure such free and quiet occupation as set forth in the preceding sentence.

8.02 No Covenants, Conditions or Restrictions.

C. Owner and Landlord agree that during the Term, any covenants, conditions or restrictions, including reciprocal easement agreements or cost-sharing arrangements affecting the Site or Hotel (collectively “**Future CC&Rs**”) which would (i) prohibit or limit Manager from operating the Hotel in accordance with System Standards, including related amenities of the Hotel; (ii) allow the Hotel facilities (for example, parking spaces) to be used by persons other than guests, invitees or employees of the Hotel; (iii) allow the Hotel facilities to be used for specified charges or rates that have not been approved by Manager; or (iv) subject the Hotel to exclusive arrangements regarding food and beverage operation or retail merchandise, will not be entered into unless Manager has given its prior written consent thereto, which consent shall not be unreasonably withheld, conditioned or delayed. Manager hereby consents to any easements, covenants, conditions or restrictions, including without limitation any reciprocal easement agreements or cost-sharing agreements, existing as of the Initial Effective Date (collectively, the “**Existing CC&Rs**”).

D. All financial obligations imposed on Owner or on the Hotel pursuant to any Future CC&Rs for which Manager's consent was required under Section 8.02.A, but not obtained, shall be paid by Owner.

E. Manager shall manage, operate, maintain and repair the Hotel in compliance with all obligations imposed on Owner, Landlord or the Hotel pursuant to any Existing CC&Rs or Future CC&Rs (unless Manager's consent was required under Section 8.02.A, but not obtained) to the extent such Existing CC&Rs and Future CC&Rs relate to the management, operation, maintenance and repair of the Hotel.

8.03 Liens; Credit. Manager and Owner shall use commercially reasonable efforts to prevent any liens from being filed against the Hotel which arise from any maintenance, repairs, alterations, improvements, renewals or replacements in or to the Hotel. Manager and Owner shall cooperate, and Owner shall cause Landlord to cooperate, in obtaining the release of any such liens. In no event shall any party borrow money in the name of, or pledge the credit of, any other party. Manager shall not allow any lien to exist with respect to its interest in this Agreement.

Subject to encumbrances permitted under Section 8.01, Manager shall not, to the extent funds to pay the same are available or provided on a timely basis as required hereunder, directly or indirectly, create or allow to remain and shall promptly discharge any lien, encumbrance, attachment, title retention agreement or claim upon the Hotel, except (a) existing liens for those taxes of Landlord which Manager is not required to pay hereunder, (b) liens for Impositions or for sums resulting from noncompliance with Legal Requirements so long as (i) the same are not yet due and payable, or (ii) are being contested in accordance with Section 11.18, (c) liens of mechanics, laborers, materialmen, suppliers or vendors incurred in the ordinary course of business that are not yet due and payable or are for sums that are being contested in accordance with Section 11.18 and (d) any Mortgages or other liens which are the responsibility of Landlord.

8.04 Financing. Landlord shall be entitled to encumber the Hotel with a Mortgage on commercially reasonable terms and in such event, Landlord, Owner and Manager shall be required to execute and Landlord agrees to require Mortgagee to execute and deliver an instrument (a "**Subordination Agreement**") which shall be recorded in the jurisdiction where the Hotel is located, which provides:

(i) This Agreement and any extensions, renewals, replacements or modifications thereto, and all right and interest of Manager in and to the Hotel, shall be subject and subordinate to the Mortgage; and

(ii) If there is a foreclosure of the Mortgage in connection with which title or possession of such Hotel is transferred to the Mortgagee (or its designee) or to a purchaser at foreclosure or to a subsequent purchaser from the Mortgagee (or from its designee) (each of the foregoing, a "**Subsequent Holder**"), Manager shall not be disturbed in its rights under this Agreement, so long as (a) no Manager Event of Default (beyond the applicable notice and cure period, if any) has occurred thereunder which entitles Owner to terminate this Agreement, and (b) the Lease has not been terminated as a result of a monetary default which arises from acts or failure to act by Manager pursuant to this Agreement, provided, however, that such Subsequent Holder shall not be

(a) liable in any way to Manager for any act or omission, neglect or default of the prior Landlord or Owner (b) responsible for any monies owing or on deposit with any prior Landlord or Owner to the credit of Manager (except to the extent actually paid or delivered to such Subsequent Holder), (c) subject to any counterclaim or setoff which theretofore accrued to Manager against any prior Landlord or Owner, (d) bound by any modification of this Agreement subsequent to such Mortgage which was not approved by the Mortgagee, (e) liable to Manager or beyond such Subsequent Holder's interest in the Hotel and the rents, income, receipts, revenues, issues and profits issuing from the Hotel, or (f) required to remove any Person occupying the Hotel or any part thereof, except if such person claims by, through or under such Subsequent Holder. If the Lease is terminated as a result of a non-monetary default which was not caused by Manager Event of Default pursuant to the terms of this Agreement or such Subsequent Holder succeeds to the interest of Owner thereunder, the Mortgagee or Subsequent Holder, as applicable, and Manager shall agree that the Hotel will continue to be subject to this Agreement (but neither the Mortgagee nor Subsequent Holder will not be responsible to pay past due amounts hereunder).

Article IX

DEFAULTS

9.01 Manager Events of Default. Each of the following shall constitute a “**Manager Event of Default**”:

A. The filing by Manager of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law, or the admission by Manager that it is unable to pay its debts as they become due, or the institution of any proceeding by Manager for its dissolution or termination.

B. The consent by Manager to an involuntary petition in bankruptcy or the failure to vacate, within ninety (90) days from the date of entry thereof, any order approving an involuntary petition by Manager.

C. The entering of an order, judgment or decree by any court of competent jurisdiction, on the application of a creditor, adjudicating Manager as bankrupt or insolvent or approving a petition seeking reorganization or appointing a receiver, trustee, or liquidator of all or a substantial part of Manager's assets, and such order, judgment or decree's continuing unstayed and in effect for an aggregate of sixty (60) days (whether or not consecutive).

D. At Owner's election, the failure of Manager to make any payment required to be made in accordance with the terms of this Agreement, on or before the date due which failure continues for five (5) Business Days after notice from Owner.

E. At Owner's election, the failure of Manager to perform, keep or fulfill any of the other covenants, undertakings, obligations or conditions set forth in this Agreement, on or before the date required for the same, which failure continues for thirty (30) days after notice from Owner, or, if the Manager Event of Default is susceptible of cure, but such cure cannot be

accomplished within such thirty (30) day period, if Manager fails to commence the cure of such Manager Event of Default within fifteen (15) days of such notice or thereafter fails to diligently pursue such efforts to completion, provided in no event shall such additional time exceed ninety (90) days.

F. At Owner's election, the failure of Manager to maintain insurance coverages required to be maintained by Manager under Article VI, which failure continues for five (5) Business Days after notice from Owner (except that no notice shall be required if any such insurance coverage shall have lapsed).

9.02 Remedies for Manager Events of Default.

A. In the event of a Manager Event of Default, Owner shall have the right to: (1) terminate this Agreement by notice to Manager, which termination shall be effective as of the date set forth in the notice, which shall be at least thirty (30) days after the date of the notice; (2) institute any and all proceedings permitted by law or equity, including, without limitation, actions for specific performance and/or damages; or (3) avail itself of any remedy described in this Section 9.02.

B. None of (i) the termination of this Agreement in connection with a Manager Event of Default, (ii) the repossession of the Hotel or any portion thereof, (iii) the failure of Owner to engage a replacement manager, nor (iv) the engagement of any replacement manager for all or any portion of the Hotel, shall relieve Manager of its liability and obligations hereunder, all of which shall survive any such termination, repossession or engagement. In the event of any termination of this Agreement as a result of a Manager Event of Default, Manager shall forthwith pay to Owner all amounts due and payable through and including the date of such termination. Thereafter, Manager shall be liable to Owner for, and shall pay to Owner, as current damages, the amounts which Owner would have received hereunder for the remainder of the Term had such termination not occurred, less the net amounts, if any, received from a replacement manager, after deducting all reasonable expenses in connection with engaging such replacement, including, all repossession costs, brokerage commissions, legal expenses, attorneys' fees, advertising, expenses of employees, alteration costs and expenses of preparation for such engagement and in the case of Owner's Priority and Owner's Residual Payment, calculated based upon the average of each of such payments made in each of the three (3) calendar years ended prior to the date of termination. Manager shall pay such current damages to Owner as soon after the end of each calendar month as practicable to determine the amounts.

C. At any time after such termination, whether or not Owner shall have collected any amounts owing and due up to and including the date of termination of this Agreement, as liquidated final damages and in lieu of Owner's right to receive any other damages due to the termination of this Agreement, at Owner's election, Manager shall pay to Owner an amount equal to the present value of the payments which have been made to Owner between the date of termination and the scheduled expiration of the Term as Owner's Priority and the Owner's Residual Payment if this Agreement had not been terminated, calculated based upon the average of each of such payments made in each of the three (3) calendar years ended prior to the date of termination, discounted at an annual rate equal to the Discount Rate. Nothing contained in this Agreement shall, however, limit or prejudice the right of Owner to prove and obtain in

proceedings for bankruptcy or insolvency an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater than, equal to, or less than the amount of the loss or damages referred to above.

D. In case of any Manager Event of Default resulting in Manager being obligated to vacate the Hotel, Owner may (i) engage a replacement manager for the Hotel or any part or parts thereof, either in the name of Owner or otherwise, for a term or terms which may at Owner's option, be equal to, less than or exceed the period which would otherwise have constituted the balance of the Term and may grant concessions or other accommodations to the extent that Owner reasonably considers advisable and necessary to engage such replacement manager(s), and (ii) may make such reasonable alterations, repairs and decorations in the Hotel or any portion thereof as Owner, in its sole and absolute discretion, considers advisable and necessary for the purpose of engaging a replacement manager for the Hotel; and the making of such alterations, repairs and decorations shall not operate or be construed to release Manager from liability hereunder. Subject to the last sentence of this paragraph, Owner shall in no event be liable in any way whatsoever for any failure to engage a replacement manager for the Hotel, or, in the event a replacement manager is engaged, for failure to collect amounts due Owner. To the maximum extent permitted by law, Manager hereby expressly waives any and all rights of redemption granted under any present or future laws in the event of Manager being evicted or dispossessed, or in the event of Owner obtaining possession of the Hotel, by reason of the occurrence and continuation of a Manager Event of Default hereunder. Owner covenants and agrees, in the event of any termination of this Agreement as a result of a Manager Event of Default, to use reasonable efforts to mitigate its damages.

E. Any payments received by Owner under any of the provisions of this Agreement during the existence or continuance of a Manager Event of Default shall be applied to Manager's current and past due obligations under this Agreement in such order as Owner may determine or as may be prescribed by applicable law.

F. If a Manager Event of Default shall have occurred and be continuing, Owner, after notice to Manager (which notice shall not be required if Owner shall reasonably determine immediate action is necessary to protect person or property), without waiving or releasing any obligation of Manager and without waiving or releasing any Manager Event of Default, may (but shall not be obligated to), at any time thereafter, make such payment or perform such act for the account and at the expense of Manager, and may, to the maximum extent permitted by law, enter upon the Hotel or any portion thereof for such purpose and take all such action thereon as, in Owner's sole and absolute discretion, may be necessary or appropriate therefor. No such entry shall be deemed an eviction of Manager or result in the termination hereof. All reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Owner in connection therewith, together with interest thereon (to the extent permitted by law) at the Overdue Rate from the date such sums are paid by Owner until repaid, shall be paid by Manager to Owner, on demand.

9.03 Owner Events of Default. Each of the following shall constitute an "**Owner Event of Default**" to the extent permitted by applicable law:

G. The filing by Owner or SVC of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law, or the admission by Owner that it is unable to pay its debts as they become due, or the institution of any proceeding by Owner for its dissolution or termination.

H. The consent by Owner or SVC to an involuntary petition in bankruptcy or the failure to vacate, within ninety (90) days from the date of entry thereof, any order approving an involuntary petition by Owner.

I. The entering of an order, judgment or decree by any court of competent jurisdiction, on the application of a creditor, adjudicating Owner or SVC as bankrupt or insolvent or approving a petition seeking reorganization or appointing a receiver, trustee, or liquidator of all or a substantial part of Owner's or SVC's assets, and such order, judgment or decree's continuing unstayed and in effect for an aggregate of sixty (60) days (whether or not consecutive).

J. At Manager's option, the failure of Owner to make any payment required to be made in accordance with the terms of this Agreement on or before the due date which failure continues for five (5) Business Days after notice from Manager.

K. At Manager's option, the failure of Owner to perform, keep or fulfill any of the other covenants, undertakings, obligations or conditions set forth in this Agreement which failure continues for thirty (30) days after notice from Manager, or, if the Owner Event of Default is susceptible of cure, but such cure cannot be accomplished within such thirty (30) day period, if Owner fails to commence the cure of such Owner Event of Default within fifteen (15) days of such notice or thereafter fails to diligently pursue such efforts to completion, provided that in no event shall such additional time exceed ninety (90) days.

L. The occurrence of an event of default beyond any applicable notice and cure period under any obligation, agreement, instrument or document which is secured in whole or in part by Owner's or Landlord's interest in the Hotel or the acceleration of the indebtedness secured thereby or the commencement of a foreclosure thereunder.

9.04 Remedies for Owner Events of Default.

M. In the event of an Owner Event of Default, Manager shall have the right to institute any and all proceedings permitted by law or equity, including, without limitation, actions for specific performance and/or damages, provided except as expressly provided in this Agreement, Manager shall have no right to terminate this Agreement by reason of an Owner Event of Default.

N. Upon the occurrence of an Owner Event of Default pursuant to any of Sections 9.03.A, 9.03.B or 9.03.C, or which arises with respect to a violation by Owner or Landlord of Section 10.02 with respect to a Sale of the Hotel, Manager shall have, in addition to all other rights and remedies provided for herein, the right to terminate this Agreement by notice to Owner, which termination shall be effective as of the date set forth in the notice, which shall be at least thirty (30) days after the date of the notice. Nothing contained in this Agreement shall, however, limit or prejudice the right of Manager to prove and obtain in proceedings for

bankruptcy or insolvency an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater than, equal to, or less than the amount of the loss or damages referred to above.

Article X

ASSIGNMENT AND SALE

10.01 Assignment.

A. Except as provided in Section 10.01.B, Manager shall not assign, mortgage, pledge, hypothecate or otherwise transfer its interest in all or any portion of this Agreement or any rights arising under this Agreement or suffer or permit such interests or rights to be assigned, transferred, mortgaged, pledged, hypothecated or encumbered, in whole or in part, whether voluntarily, involuntarily or by operation of law, or permit the use or operation of the Hotel by anyone other than Manager or Owner. For the purpose of this Section 10.01, and assignment of this Agreement shall be deemed to include a Change of Control.

B. Notwithstanding Section 10.01.A, Manager shall have the right, without Owner's consent, to:

1. assign this Agreement (whether directly or pursuant to the direct or indirect transfer of interests in Manager) in connection with the sale of all or substantially all of the business and assets of Manager to a third party; provided such third party assumes in writing the obligations of Manager under this Agreement;

2. assign this Agreement as a result of a Change of Control arising as a result of a transfer or issuance of capital stock of Sonesta Holdco permitted by the Stockholders Agreement;

3. assign this Agreement to a Subsidiary of Manager; provided such Subsidiary assumes in writing the obligations of Manager under this Agreement; and

4. sublease or grant concessions or licenses to shops or any other space at the Hotel so long as the terms of any such subleases or concessions do not exceed the Term, provided that (a) such subleases or concessions are for newsstand, gift shop, parking garage, health club, restaurant, bar, commissary, retail, office or rooftop antenna purposes or similar concessions or uses, (b) such subleases are on commercially reasonable terms, and (c) such subleases or concessions will not violate or affect any Legal Requirement or Insurance Requirement, and Manager shall obtain or cause the subtenant to obtain such additional insurance coverage applicable to the activities to be conducted in such subleased space as Landlord and any Mortgagee may reasonably require.

C. Notwithstanding Section 10.01.B, Manager may not assign, mortgage, pledge, hypothecate or otherwise transfer its interest in all or any portion of this Agreement to any Person (or any Affiliate of any Person) who (a) does not have sufficient experience to fulfill Manager's obligations with respect to the Hotel under this Agreement, (b) is known in the

community as being of bad moral character, or has been convicted of a felony in any state or federal court, or is in control of or controlled by Persons who have been convicted of felonies in any state or federal court; or (c) is, or has an Affiliate that is, a Specially Designated National or Blocked Person.

D. Owner shall not assign or transfer its interest in this Agreement without the prior written consent of Manager; provided, however, that Owner shall have the right, without such consent to (1) Intentionally Omitted, (2) assign its interest hereunder to Landlord or an Affiliate of Landlord under the terms of the Lease, (3) assign its interest hereunder to Manager or an Affiliate of Manager, and (4) assign its interest hereunder to an Affiliate of Owner in a corporate restructuring of Owner or any of its Affiliates, provided such Affiliate satisfies the criteria of Section 10.02.A.

E. If either party consents to an assignment of this Agreement by the other, no further assignment shall be made without the express consent in writing of such party, unless such assignment may otherwise be made without such consent pursuant to the terms of this Agreement. An assignment by Owner of its interest in this Agreement approved or permitted pursuant to the terms hereof shall relieve Owner from its obligations under this Agreement arising from and after the effective date of such assignment. An assignment by Manager of its interest in this Agreement shall not relieve Manager from its obligations under this Agreement unless such assignment occurs in the context of a sale of all or substantially all of the business of Manager and which is otherwise permitted or approved, if required, pursuant to this Agreement, in which event Manager shall be relieved from such obligations arising from and after the effective date of such assignment.

10.02 [Reserved].

10.03 Amendment of the Lease. The Lease shall not be amended or modified in any way which would materially reduce Manager's rights hereunder or impose any material cost, expense or obligation on Manager.

Article XI

MISCELLANEOUS

11.01 Right to Make Agreement. Each party warrants, with respect to itself, that neither the execution of this Agreement nor the finalization of the transactions contemplated hereby shall violate any provision of law or judgment, writ, injunction, order or decree of any court or governmental authority having jurisdiction over it; result in or constitute a breach or default under any indenture, contract, other commitment or restriction to which it is a party or by which it is bound; or require any consent, vote or approval which has not been taken, or at the time of the transaction involved shall not have been given or taken. Each party covenants that it has and will continue to have throughout the Term, the full right to enter into this Agreement and perform its obligations hereunder.

11.02 Actions By Manager. Manager covenants and agrees that it shall not take any action which would be binding upon Owner or Landlord except to the extent it is permitted to do so pursuant to the terms of this Agreement.

11.03 Relationship. In the performance of this Agreement, Manager shall act solely as an independent contractor. Neither this Agreement nor any agreements, instruments, documents or transactions contemplated hereby shall in any respect be interpreted, deemed or construed as making Manager a partner, joint venturer with, or agent of, Owner. Owner and Manager agree that neither party will make any contrary assertion, claim or counterclaim in any action, suit, arbitration or other legal proceedings involving Owner and Manager. Nothing contained herein is intended to, nor shall be construed as, creating any landlord-tenant relationship between Manager and Owner or between Manager and Landlord. Each of Manager and Owner shall prepare and shall cause their Affiliates to prepare their financial statements and tax returns consistent with the foregoing characterization.

11.04 Applicable Law. The Agreement shall be construed under and shall be governed by the laws of the State of Maryland, without regard to its "choice of law" rules.

11.05 Notices. Notices, statements and other communications to be given under the terms of the Agreement shall be in writing and delivered by hand against receipt or sent by Express Mail service or by nationally recognized overnight delivery service, addressed to the parties as follows:

To Owner: Cambridge TRS, Inc.

Two Newton Place
255 Washington Street, Suite 300
Newton, Massachusetts 02458
Attn: President
Phone: (617) 964-8389
Fax: (617) 969-5730

To Manager: Sonesta International Hotels Corporation

Two Newton Place
255 Washington Street
Newton, Massachusetts 02458
Attn: President
Phone: (617) 421-5400
Fax: (617) 928-1305

or at such other address as is from time to time designated by the party receiving the notice. Any such notice that is given in accordance herewith shall be deemed received when delivery is received or refused, as the case may be. Additionally, notices may be given by facsimile transmission, provided that a hard copy of the transmission shall be delivered to the addressee by nationally recognized overnight delivery service by no later than the second (2nd) Business Day following such transmission. Facsimiles shall be deemed delivered on the date of such transmission, if sent on a Business Day and received during the receiving party's normal business hours or, if not received during the receiving party's normal

business hours, then on the next succeeding Business Day.

11.06 Environmental Matters.

A. Subject to Section 11.06.D, during the Term or at any other time while Manager is in possession of the Hotel, (1) Manager shall not store, spill upon, generate, dispose of or transfer to or from the Hotel any Hazardous Substance, except in compliance with all Legal Requirements, (2) Manager shall maintain the Hotel at all times free of any Hazardous Substance (except in compliance with all Legal Requirements), and (3) Manager (a) upon receipt of notice or knowledge shall promptly notify Owner and Landlord in writing of any material change in the nature or extent of Hazardous Substances at the Hotel, (b) shall file and transmit to Owner and Landlord a copy of any Community Right to Know or similar report or notice which is required to be filed by Manager with respect to the Hotel pursuant to Title III of the Superfund Amendments and Reauthorization Act of 1986 or any other Legal Requirements, (c) shall transmit to Owner and Landlord copies of any citations, orders, notices or other governmental communications received by Manager with respect to Hazardous Substances or environmental compliance (collectively, “**Environmental Notice**”), which Environmental Notice requires a written response or any action to be taken and/or if such Environmental Notice gives notice of and/or presents a material risk of any material violation of any Legal Requirement and/or presents a material risk of any material cost, expense, loss or damage (an “**Environmental Obligation**”), (d) shall observe and comply with all Legal Requirements relating to the use, maintenance and disposal of Hazardous Substances and all orders or directives from any official, court or agency of competent jurisdiction relating to the use, maintenance or disposal or requiring the removal, treatment, containment or other disposition of Hazardous Substances, and (e) shall pay or otherwise dispose of any fine, charge or Imposition related thereto, unless Owner or Manager shall contest the same in good faith and by appropriate proceedings and the right to use and the value of the Hotel are not materially and adversely affected thereby.

B. In the event of the discovery of Hazardous Substances other than those maintained in accordance with Legal Requirements on any portion of any Site or in the Hotel during the Term, Manager shall promptly (i) clean up and remove from and about the Hotel all Hazardous Substances thereon in accordance with all applicable Environmental Laws (as defined below), (ii) contain and prevent any further release or threat of release of Hazardous Substances on or about the Hotel, and (iii) use good faith efforts to eliminate any further release or threat of release of Hazardous Substances on or about the Hotel, and (iv) otherwise effect a remediation of the problem in accordance with all applicable federal, state and local statutes, laws, rules and regulations (now or hereafter in effect) dealing with the use, generation, treatment, storage, release, disposal, remediation or abatement of Hazardous Substances (collectively referred to as “**Environmental Laws**”).

C. The actual costs incurred or the estimated costs to be incurred with respect to any matter arising under Section 11.06.B together with any costs incurred by Owner with respect to any judgment or settlement approved by Manager (such approval not to be unreasonably withheld, conditioned or delayed with respect to any third-party claims including, without limitation, claims by Landlord arising under the Lease) relating to claims arising from the release or threat of release of Hazardous Substances on or about any of the Hotels (including reasonable

attorneys' and consultants' fees incurred with respect to such matters) are collectively referred to as "**Environmental Costs.**"

D. All Environmental Costs shall be deemed repairs and maintenance under Section 5.02 or 5.03 and paid as provided therein, as applicable, for the Hotel; provided, however, that if any of the foregoing costs arise as a result of the gross negligence or willful misconduct of Manager or any employee of Manager, such costs shall be paid by Manager at its sole cost and expense and not as a Deduction, and Manager shall indemnify Owner for any loss, cost, claim or expense (including reasonable attorneys' fees) incurred by Owner in connection therewith. The provisions of this Section 11.06.D shall survive termination.

11.07 Confidentiality. The parties hereto agree that the matters set forth in this Agreement are strictly confidential and each party will make every effort to ensure that the information is not disclosed to any outside person or entities (including the press) without the prior written consent of the other party except as may be appropriate or required by law, including the rules and regulations of the SEC or any stock exchange applicable to Owner or its Affiliates, in any report, prospectus or other filing made by Owner or its Affiliates with the SEC or any such stock exchange, or in a press release issued by a party or its Affiliates which is consistent with its investor relations program conducted in the ordinary course, and as may be reasonably necessary to obtain licenses, permits, and other public approvals necessary for the refurbishment or operation of the Hotel, or, subject to Section 4.01.C(2), in connection with financing or proposed financing of the Hotel, a Sale of the Hotel, or a sale of a Controlling Interest in Owner.

11.08 Projections. Owner acknowledges that any written or oral projections, pro formas, or other similar information that has been, prior to execution of this Agreement, or will, during the Term, be provided by Manager, or any Affiliate to Owner is for information purposes only and that Manager and any such Affiliate do not guarantee that the Hotel will achieve the results set forth in any such projections, pro formas, or other similar information. Any such projections, pro formas, or other similar information are based on assumptions and estimates, and unanticipated events may occur subsequent to the date of preparation of such projections, pro formas, and other similar information. Therefore, the actual results achieved by the Hotel are likely to vary from the estimates contained in any such projections, pro formas, or other similar information and such variations might be material.

11.09 Actions to be Taken Upon Termination. Upon termination of this Agreement:

A. Manager shall, within ninety (90) days after termination of this Agreement, prepare and deliver to Owner a final accounting statement ("**Final Statement**") with respect to the Hotel, consistent with the Annual Operating Statement, along with a statement of any sums due Manager as of the date of termination. Within thirty (30) days of the receipt by Owner of such Final Statement, the parties will make any adjustments, by cash payment, in the amounts paid or retained as are needed because of the figures set forth in the Final Statement. Any payments shall be made together with interest at the Interest Rate from the date such amounts were due or paid, as the case may be, until paid or repaid. If any dispute shall arise with respect to the Final Statement which cannot be resolved by the parties within the thirty (30) day period, it shall be settled by arbitration, provided however, that any cash adjustments relating to items

which are not in dispute shall be made within the thirty (30) day period. The cost of preparing the Final Statement shall be a Deduction, unless the termination occurs as a result of a Manager Event of Default or an Owner Event of Default, in which case the defaulting party shall pay such cost. Manager and Owner acknowledge that there may be certain adjustments for which the information will not be available at the time of the Final Statement and the parties agree to readjust such amounts and make the necessary cash adjustments when such information becomes available, provided, however, that all accounts shall be deemed final as of the second (2nd) anniversary of the date of termination.

B. Upon a termination, Manager shall disburse to Owner all Working Capital (excluding funds to be held in escrow pursuant to Section 11.09.I) remaining after payment of all Deductions and all amounts then payable to Manager or Owner.

C. Manager shall make available to Owner such books and records respecting the Hotel (including those from prior years, subject to Manager's reasonable records retention policies) as will be needed by Owner to prepare the accounting statements, in accordance with the Uniform System of Accounts, for the Hotel for the Year in which the termination occurs and for any subsequent Year.

D. Manager shall (to the extent permitted by law) assign to Owner or its designee all operating licenses and permits for the Hotel which have been issued in Manager's name (including liquor and restaurant licenses, if any).

E. If Owner does not exercise its right under Section 11.09.G and/or a successor Manager is not a franchisee of Manager, Manager shall have the option, to be exercised within thirty (30) days after termination, to purchase at their then book value, any items of Inventories and Fixed Asset Supplies marked with any Trade Name, other trade name, symbol, logo or design. If Manager does not exercise such option, Owner agrees that any such items not so purchased will be used exclusively at the Hotel until they are consumed.

F. Manager shall, at Owner's sole cost and expense, use commercially reasonable efforts to cooperate with Owner or its designee in connection with the transfer of management of the Hotel including processing of all applications for licenses, operating permits and other governmental authorizations and the assignment of all contracts entered into by Manager with respect to the use and operation of the Hotel as then operated, but excluding all insurance contracts and multi-property contracts not limited in scope to the Hotel (if applicable) and all contracts with Affiliates of Manager.

G. Owner or its designee shall have the right to operate the improvements on the Site without modifying the architectural design, notwithstanding the fact that such design or certain features thereof may be proprietary to Manager and/or protected by trademarks or service marks held by Manager or an Affiliate, provided that such use shall be confined to the Site. Further, provided that the Hotel then satisfies the System Standards, Owner or its designee shall be entitled (but not obligated) to operate the Hotel under the Trade Names for a period of one (1) year following termination in consideration for which Owner or its designee shall pay the then standard franchise fees of Manager and its Affiliates and shall comply with the other applicable terms and conditions of the form of franchise agreement then being entered into and Manager

will continue to provide services to the Hotel including, reservations and communication services; provided, however, that all such services shall be provided in accordance with the applicable terms and conditions of the form of franchise agreement.

H. Any computer software (including upgrades and replacements) at the Hotel owned by Manager, an Affiliate, or the licensor of any of them is proprietary to Manager, such Affiliate, or the licensor of any of them and shall in all events remain the exclusive property of Manager, the Affiliate or the licensor of any of them, as the case may be, and nothing contained in this Agreement shall confer on Owner the right to use any of such software. Manager shall have the right to remove from the Hotel without compensation to Owner any computer software (including upgrades and replacements), including, without limitation, the System software, owned by Manager, any Affiliate or the licensor of any of them and any computer equipment utilized as part of a centralized reservation system or owned by a party other than Owner.

I. If this Agreement is terminated for any reason, other than by reason of a Manager Event Default, and excluding a termination as a result of the expiration of the Term, an escrow fund shall be established from Gross Revenues to reimburse Manager for all reasonable costs and expenses incurred by Manager in terminating its employees at the Hotel, such as severance pay, unemployment compensation, employment relocation, and other employee liability costs arising out of the termination of employment of such employees. If Gross Revenues are insufficient to meet the requirements of such escrow fund, then Manager shall have the right to withdraw the amount of such expenses from Working Capital or any other funds of Owner with respect to the Hotel held by or under the control of Manager. Owner or its designee shall have the right to offer employment to any employee whom Manager proposes to terminate and Manager shall cooperate with Owner in connection therewith.

J. Manager shall peacefully vacate and surrender the Hotel to Owner.

The provisions of this Section 11.09 shall survive termination.

11.10 Trademarks, Trade Names and Service Marks. The names “*Sonesta*,” “*Royal Sonesta*,” “*Sonesta Suites*,” “*Sonesta ES Suites*” and “*Sonesta Resorts*” (each of the foregoing names, together with any combination thereof, collectively, the “**Trade Names**”) when used alone or in connection with another word or words, and the Sonesta trademarks, service marks, other trade names, symbols, logos and designs shall in all events remain the exclusive property of Manager and except as provided in Section 11.09.E and 11.09.G, nothing contained in this Agreement shall confer on Owner the right to use any of the Trade Names, or the Sonesta trademarks, service marks, other trade names, symbols, logos or designs affiliated or used therewith. Except as provided in Section 11.09.E and 11.09.G, upon termination of this Agreement, any use of any of the Trade Names, or any of the Sonesta trademarks, service marks, other trade names, symbols, logos or designs at the Hotel shall cease and Owner shall promptly remove from the Hotel any signs or similar items which contain any of the Trade Names, trademarks, service marks, other trade names, symbols, logos or designs. If Owner has not removed such signs or similar items within ten (10) Business Days, Manager shall have the right to do so. The cost of such removal shall be a Deduction. Included under the terms of this Section 11.10 are all trademarks, service marks, trade names, symbols, logos or designs used in conjunction with the Hotel, including restaurant names, lounge names, etc., whether or not the

marks contain the “Sonesta” name. The right to use such trademarks, service marks, trade names, symbols, logos or designs belongs exclusively to Manager, and the use thereof inures to the benefit of Manager whether or not the same are registered and regardless of the source of the same. The provisions of this Section 11.10 shall survive termination.

11.11 Waiver. The failure of either party to insist upon a strict performance of any of the terms or provisions of the Agreement, or to exercise any option, right or remedy contained in this Agreement, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.

11.12 Partial Invalidity. If any portion of this Agreement shall be declared invalid by order, decree or judgment of a court, or otherwise, this Agreement shall be construed as if such portion had not been so inserted except when such construction would operate as an undue hardship on Manager or Owner or constitute a substantial deviation from the general intent and purpose of the parties as reflected in this Agreement.

11.13 Survival. Except as otherwise specifically provided herein, the rights and obligations of the parties herein shall not survive any termination of this Agreement.

11.14 Negotiation of Agreement. Each of Manager and Owner is a business entity having substantial experience with the subject matter of this Agreement and has fully participated in the negotiation and drafting of this Agreement. Accordingly, this Agreement shall be construed without regard to the rule that ambiguities in a document are to be construed against the draftsman. No inferences shall be drawn from the fact that the final, duly executed Agreement differs in any respect from any previous draft hereof.

11.15 Entire Agreement. This Agreement, together with any other agreements or writings signed by the parties that expressly state they are supplemental to, or supercede any provision of, this Agreement, and together with any instruments to be executed and delivered pursuant to this Agreement, constitutes the entire agreement between the parties as of the Effective Date and supersedes all prior understandings and writings, and may be changed only by a writing signed by the parties hereto. For the avoidance of doubt, the Prior Management Agreement shall continue to govern the rights and obligations of the parties with respect to periods prior to the Effective Date, and this Agreement shall govern the rights and obligations of the parties with respect to periods from and after the Effective Date.

11.16 Affiliates. Manager shall be entitled to contract with companies that are Affiliates (or companies in which Manager has an ownership interest if such interest is not sufficient to make such a company an Affiliate) to provide goods and/or services to the Hotel; provided that the prices and/or terms for such goods and/or services are competitive. Additionally, Manager may contract for the purchase of goods and services for the Hotel with third parties that have other contractual relationships with Manager and its Affiliates, so long as the prices and terms are competitive. In determining whether such prices and/or terms are competitive, they will be compared to the prices and/or terms which would be available from reputable and qualified parties for goods and/or services of similar quality, and the goods and/or services which are

being purchased shall be grouped in reasonable categories, rather than being compared item by item. Any dispute as to whether prices and/or terms are competitive shall be settled by arbitration. The prices paid may include overhead and the allowance of a reasonable return to Manager's Affiliates (or companies in which Manager has an ownership interest if such interest is not sufficient to make such a company an Affiliate), provided that such prices are competitive. Owner acknowledges and agrees that, with respect to any purchases of goods and/or services pursuant to this Section 11.16, Manager's Affiliates may retain for their own benefit any allowances, credits, rebates, commissions and discounts received with respect to any such purchases.

11.17 Disputes.

A. Disputes. Any disputes, claims or controversies arising out of or relating to this Agreement or the transactions contemplated hereby, including any disputes, claims or controversies brought by or on behalf of a party hereto, a direct or indirect parent of a party, or any holder of equity interests (which, for purposes of this Section 11.17, shall mean any holder of record or any beneficial owner of equity interests, or any former holder of record or beneficial owner of equity interests) of a party, either on its own behalf, on behalf of a party or on behalf of any series or class of equity interests of a party or holders of any equity interests of a party against a party or any of their respective trustees, directors, members, officers, managers (including The RMR Group LLC or its parent and their respective successor), agents or employees, including any disputes, claims or controversies relating to the meaning, interpretation, effect, validity, performance, application or enforcement of this Agreement, including the agreements set forth in this Section 11.17, or the governing documents of a party (all of which are referred to as "**Disputes**"), or relating in any way to such a Dispute or Disputes shall, on the demand of any party to such Dispute or Disputes, be resolved through binding and final arbitration in accordance with the Commercial Arbitration Rules (the "**Rules**") of the American Arbitration Association (the "**AAA**") then in effect, except as those Rules may be modified in this Section 11.17. For the avoidance of doubt, and not as a limitation, Disputes are intended to include derivative actions against the trustees, directors, officers or managers of a party and class actions by a holder of equity interests against those Persons and a party. For the avoidance of doubt, a Dispute shall include a Dispute made derivatively on behalf of one party against another party.

B. Selection of Arbitrators. There shall be three (3) arbitrators. If there are only two (2) parties to the Dispute, each party shall select one (1) arbitrator within fifteen (15) days after receipt by respondent of a copy of a demand for arbitration. Such arbitrators may be affiliated or interested persons of such parties. If there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, shall each select, by the vote of a majority of the claimants or the respondents, as the case may be, one (1) arbitrator within fifteen (15) days after receipt of a demand for arbitration. Such arbitrators may be affiliated or interested persons of the claimants or the respondents, as the case may be. If either a claimant (or all claimants) or a respondent (or all respondents) fail(s) to timely select an arbitrator then the party (or parties) who has selected an arbitrator may request the AAA to provide a list of three (3) proposed arbitrators in accordance with the Rules (each of whom shall be neutral, impartial and unaffiliated with any party) and the party (or parties) that failed to timely appoint an arbitrator shall have ten (10) days from the date the AAA provides such list to select one (1) of

the three (3) arbitrators proposed by the AAA. If the party (or parties) fail(s) to select the second (2nd) arbitrator by that time, the party (or parties) who have appointed the first (1st) arbitrator shall then have ten (10) days to select one (1) of the three (3) arbitrators proposed by the AAA to be the second (2nd) arbitrator; and, if they should fail to select the second (2nd) arbitrator by such time, the AAA shall select, within fifteen (15) days thereafter, one (1) of the three (3) arbitrators it had proposed as the second (2nd) arbitrator. The two (2) arbitrators so appointed shall jointly appoint the third (3rd) and presiding arbitrator (who shall be neutral, impartial and unaffiliated with any party) within fifteen (15) days of the appointment of the second (2nd) arbitrator. If the third (3rd) arbitrator has not been appointed within the time limit specified herein, then the AAA shall provide a list of proposed arbitrators in accordance with the Rules, and the arbitrator shall be appointed by the AAA in accordance with a listing, striking and ranking procedure, with each party having a limited number of strikes, excluding strikes for cause.

C. Location of Arbitration. Any arbitration hearings shall be held in Boston, Massachusetts, unless otherwise agreed by the parties, but the seat of arbitration shall be Maryland.

D. Scope of Discovery. There shall be only limited documentary discovery of documents directly related to the issues in dispute, as may be ordered by the arbitrators. For the avoidance of doubt, it is intended that there shall be no depositions and no other discovery other than limited documentary discovery as described in the preceding sentence.

E. Arbitration Award. In rendering an award or decision (an “**Arbitration Award**”), the arbitrators shall be required to follow the laws of the State of Maryland, without regard to principles of conflicts of law. Any arbitration proceedings or Arbitration Award rendered hereunder, and the validity, effect and interpretation of the agreements set forth in this Section 11.17 shall be governed by the Federal Arbitration Act, 9 U.S.C. §1 et seq. An Arbitration Award shall be in writing and may, but shall not be required to, briefly state the findings of fact and conclusions of law on which it is based. Any monetary Arbitration Award shall be made and payable in U.S. dollars free of any tax, deduction or offset. Subject to this Section 11.17, each party against which an Arbitration Award assesses a monetary obligation shall pay that obligation on or before the thirtieth (30th) day following the date of such Arbitration Award or such other date as such Arbitration Award may provide.

F. Costs. Except to the extent expressly provided by this Agreement or as otherwise agreed by the parties thereto, to the maximum extent permitted by Maryland law, each party involved in a Dispute shall bear its own costs and expenses (including attorneys’ fees), and the arbitrators shall not render an Arbitration Award that would include shifting of any such costs or expenses (including attorneys’ fees) or, in a derivative case or class action, award any portion of a party’s Arbitration Award to the claimant or the claimant’s attorneys. Each party (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, respectively) shall bear the costs and expenses of its (or their) selected arbitrator and the parties (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand) shall equally bear the costs and expenses of the third (3rd) appointed arbitrator.

G. Appeals. Notwithstanding any language to the contrary in this Agreement, any Arbitration Award, including but not limited to any interim Arbitration Award, may be appealed pursuant to the AAA's Optional Appellate Arbitration Rules ("**Appellate Rules**"). An Arbitration Award shall not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty (30) days of receipt of an Arbitration Award by filing a notice of appeal with any AAA office. Following the appeal process, the decision rendered by the appeal tribunal may be entered in any court having jurisdiction thereof. For the avoidance of doubt, and despite any contrary provision of the Appellate Rules, the above paragraph relating to costs and expenses shall apply to any appeal pursuant to this Section 11.17 and the appeal tribunal shall not render an Arbitration Award that would include shifting of any costs or expenses (including attorneys' fees) of any party.

H. Final Judgment. Following the expiration of the time for filing the notice of appeal, or the conclusion of the appeal process set forth in the above paragraph, an Arbitration Award shall be final and binding upon the parties thereto and shall be the sole and exclusive remedy between those parties relating to the Dispute, including any claims, counterclaims, issues or accounting presented to the arbitrators. Judgment upon an Arbitration Award may be entered in any court having jurisdiction. To the fullest extent permitted by law, no application or appeal to any court of competent jurisdiction may be made in connection with any question of law arising in the course of arbitration or with respect to any Arbitration Award made, except for actions relating to enforcement of the agreements set forth in this Section 11.17 or any arbitral award issued hereunder and except for actions seeking interim or other provisional relief in aid of arbitration proceedings in any court of competent jurisdiction.

I. Intended Beneficiaries. This Section 11.17 is intended to benefit and be enforceable by the parties hereto and their respective shareholders, stockholders, members, beneficial interest owners, direct and indirect parents, trustees, directors, officers, managers (including The RMR Group LLC or its parent and their respective successor), members, agents or employees and their respective successors and assigns and shall be binding on the parties, and such Persons and be in addition to, and not in substitution for, any other rights to indemnification or contribution that such Persons may have by contract or otherwise.

11.18 Permitted Contests. Manager shall have the right to contest the amount or validity of any Imposition, Legal Requirement, Insurance Requirement, lien, attachment, levy, encumbrance, charge or claim (collectively, "**Claims**") as to the Hotel, by appropriate legal proceedings, conducted in good faith and with due diligence, provided that (a) such contest shall not cause Landlord or Owner to be in default under any Mortgage or reasonably be expected to result in a lien attaching to the Hotel, unless such lien is fully bonded or otherwise secured to the reasonable satisfaction of Landlord, (b) no part of the Hotel nor any Gross Revenues therefrom shall be in any immediate danger of sale, forfeiture, attachment or loss, and (c) Manager shall indemnify and hold harmless Owner and Landlord from and against any cost, claim, damage, penalty or reasonable expense, including reasonable attorneys' fees, incurred by Owner or Landlord in connection therewith or as a result thereof. Owner and Landlord shall sign all required applications and otherwise cooperate with Manager in expediting the matter, provided that neither Owner nor Landlord shall thereby be subjected to any liability therefor (including, without limitation, for the payment of any costs or expenses in connection therewith), and any such costs or expenses incurred in connection therewith shall be paid as a Deduction. Landlord

shall agree to join in any such proceedings if required legally to prosecute such contest, provided that Landlord shall not thereby be subjected to any liability therefor (including, without limitation, for the payment of any costs or expenses in connection therewith) and Manager agrees by agreement in form and substance reasonably satisfactory to Landlord, to assume and indemnify Landlord. Any amounts paid under any such indemnity of Manager to Owner or Landlord shall be a Deduction. Any refund of any Claims and such charges and penalties or interest thereon shall be paid to Manager and included in Gross Revenues.

11.19 Estoppel Certificates. Each party to this Agreement shall at any time and from time to time, upon not less than thirty (30) days' prior notice from the other party, execute, acknowledge and deliver to such other party, or to any third party specified by such other party, a statement in writing: (a) certifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications); (b) stating whether or not to the best knowledge of the certifying party (i) there is a continuing default by the non-certifying party in the performance or observance of any covenant, agreement or condition contained in this Agreement, or (ii) there shall have occurred any event which, with the giving of notice or passage of time or both, would become such a default, and, if so, specifying each such default or occurrence of which the certifying party may have knowledge; (c) stating the date to which distributions of Operating Profit have been made; and (d) stating such other information as the non-certifying party may reasonably request. Such statement shall be binding upon the certifying party and may be relied upon by the non-certifying party and/or such third party specified by the non-certifying party as aforesaid, including, without limitation its lenders and any prospective purchaser or mortgagee of the Hotel or the leasehold estate created by the Lease. Upon termination, each party shall, on request, within the time period described above, execute and deliver to the non-certifying party and to any such third party a statement certifying that this Agreement has been terminated.

11.20 Indemnification. Notwithstanding the existence of any insurance provided for herein and without regard to the policy limits of any such insurance, Manager shall protect, indemnify and hold harmless Owner and Landlord for, from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and reasonable expenses (including, without limitation, reasonable attorneys' fees), to the maximum extent permitted by law, imposed upon or incurred by or asserted against Owner or Landlord by reason of: (a) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Hotel or adjoining sidewalks or rights of way under Manager's control, (b) any use, misuse, non-use, condition, management, maintenance or repair by Manager or anyone claiming under Manager of the Hotel or Owner's Personal Property or any litigation, proceeding or claim by governmental entities or other third parties to which Owner or Landlord is made a party or participant relating to the Hotel or Owner's Personal Property or such use, misuse, non-use, condition, management, maintenance, or repair thereof including, failure to perform obligations (other than Condemnation proceedings) to which Owner or Landlord is made a party, (c) any Impositions that are the obligations of Manager to pay pursuant to the applicable provisions of this Agreement, and (d) infringement and other claims relating to the propriety marks of Manager or its Affiliates; provided, however, that Manager's obligations hereunder shall not apply to any liability, obligation, claim, damage, penalty, cause of action, cost or expense to the extent the same arises from any negligence or willful misconduct of Owner or Landlord or their respective employees, agents or invitees. Manager, at its expense, shall contest, resist and defend

any such claim, action or proceeding asserted or instituted against Owner or Landlord (but shall not be responsible for any duplicative attorneys' fees incurred by Owner or Landlord) or may compromise or otherwise dispose of the same, with Owner's or Landlord's, as appropriate, prior written consent (which consent may not be unreasonably withheld or delayed). If Owner or Landlord unreasonably delays or withholds consent, Manager shall not be liable under this Section 11.20 for any incremental increase in costs or expenses resulting therefrom. The obligations of Manager under this Section 11.20 shall not be applicable to Environmental Costs with respect to which a specific indemnity is provided in Section 11.06.D, to the extent addressed therein. The obligations under this Section 11.20 shall survive termination.

11.21 Remedies Cumulative. To the maximum extent permitted by law, each legal, equitable or contractual right, power and remedy of Owner or Manager, now or hereafter provided either in this Agreement or by statute or otherwise, shall be cumulative and concurrent and shall be in addition to every other right, power and remedy and the exercise or beginning of the exercise by Owner or Manager of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Owner or Manager of any or all of such rights, powers and remedies.

11.22 Amendments and Modifications. This Agreement shall not be modified or amended except in writing signed by Owner and Manager.

11.23 Claims; Binding Effect; Time of the Essence; Nonrecourse. Anything contained in this Agreement to the contrary notwithstanding, all claims against, and liabilities of, Manager or Owner arising prior to any date of termination of this Agreement shall survive such termination. All the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Time is of the essence with respect to the exercise of any rights of Manager, Owner or Landlord under this Agreement. Nothing contained in this Agreement shall be construed to create or impose any liabilities or obligations and no such liabilities or obligations shall be imposed on any of the equityholders, beneficial owners, direct or indirect, officers, directors, trustees, employees or agents of Owner or Landlord or their respective Affiliates or Manager or its Affiliates for the payment or performance of the obligations or liabilities of Owner, Landlord or Manager, as applicable.

11.24 Counterparts; Headings. This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original, but which, when taken together, shall constitute but one instrument and shall become effective as of the date hereof when copies hereof, which, when taken together, bear the signatures of each of the parties hereto shall have been signed. Headings in this Agreement are for purposes of reference only and shall not limit or affect the meaning of the provisions hereof.

11.25 No Political Contributions. Notwithstanding any provision in this Agreement to the contrary, no money or property of the Hotel shall be paid or used or offered, nor shall Owner or Manager directly or indirectly use or offer, consent or agree to use or offer, any money or property of the Hotel (i) in aid of any political party, committee or organization, (ii) in aid of any corporation, joint stock or other association organized or maintained for political purposes, (iii) in aid of any candidate for political office or nomination for such office, (iv) in connection with

any election, (v) for any political purpose whatever, or (vi) for the reimbursement or indemnification of any person for any money or property so used.

11.26 REIT Qualification.

E. Manager shall take all commercially reasonable actions reasonably requested by Owner or Landlord for the purpose of qualifying Landlord's rental income from Owner under the Lease as "rents from real property" pursuant to Sections 856(d)(2), 856(d)(8)(B) and 856(d)(9) of the Code, including but not limited to any action requested to maintain: (1) Manager's continued qualification as an "eligible independent contractor" (as defined in Section 856(d)(9)(A) of the Code) with respect to SVC and (2) the Hotel's continued treatment as a "qualified lodging facility" (as defined in Section 856(d)(9)(D) of the Code). Manager shall not be liable if such reasonably requested actions, once implemented, fail to have the desired result of qualifying Landlord's rental income from Owner under the Lease as "rents from real property" pursuant to Sections 856(d)(2), 856(d)(8)(B) and 856(d)(9) of the Code. This Section 11.26.A shall not apply in situations where an Adverse Regulatory Event has occurred; instead, Section 11.27 shall apply.

F. If Owner or Landlord wish to invoke the terms of Section 11.26.A, Owner or Landlord (as appropriate) shall contact Manager and the parties shall meet with each other to discuss the relevant issues and to develop a mutually-agreed upon plan for implementing such reasonably requested actions.

G. Any additional out-of-pocket costs or expenses incurred by Manager in complying with such a request shall be borne by Owner (and shall not be a Deduction). Owner shall reimburse Manager for such expense or cost promptly, but not later than five (5) Business Days after such expense or cost is incurred.

H. Manager shall not authorize any wagering activities to be conducted at or in connection with the Hotel, and Manager shall use commercially reasonable efforts to achieve the goal of having at least one-half of the guest rooms in the Hotel being used on a transient basis and the goal of having no Hotel amenities and facilities that are not customary for similarly situated properties.

11.27 Adverse Regulatory Event. In the event of an Adverse Regulatory Event arising from or in connection with this Agreement, Owner and Manager shall work together in good faith to amend this Agreement to eliminate the impact of such Adverse Regulatory Event. For purposes of this Agreement, the term "**Adverse Regulatory Event**" means any time that a law, statute, ordinance, code, rule or regulation imposes upon Owner (or could impose upon Owner in Owner's reasonable opinion), any material threat to either Landlord's or Landlord's Affiliate's status as a "real estate investment trust" under the Code or to the treatment of amounts paid to Landlord as "rents from real property" under Section 856(d) of the Code. Each of Manager and Owner shall inform the other of any Adverse Regulatory Event of which it is aware and which it believes likely to impair compliance of any of the Hotel with respect to the aforementioned sections of the Code.

11.28 Tax Matters. Manager will prepare or cause to be prepared all tax returns required in the operation of the Hotel, which include payroll, sales and use tax returns, personal property tax returns and business, professional and occupational license tax returns. Manager shall timely file or cause to be filed such returns as required by the State; provided that, Owner shall promptly provide all relevant information to Manager upon request, and any late fees or penalties resulting from delays caused by Owner shall be borne by Owner. Manager shall not be responsible for the preparation of Landlord's or Owner's federal or state income tax returns, provided Manager shall cooperate fully with Owner and Landlord as may be necessary to enable Owner or Landlord to file such federal or state income tax returns, including by preparing data reasonably requested by Owner or Landlord and submitting it to Owner or Landlord, as applicable, as soon as reasonably practicable following such request.

11.29 Third Party Beneficiaries. The terms and conditions of this Agreement shall inure to the benefit of, and be binding upon, the respective successors, heirs, legal representatives or permitted assigns of each of the parties hereto and except for Landlord and SVC, which are intended third party beneficiaries, no Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement.

Article XII

DEFINITION OF TERMS; CONSTRUCTION

12.01 Definition of Terms.

The following terms when used in this Agreement and the Addenda attached hereto shall have the meanings indicated:

"AAA" has the meaning ascribed to such term in Section 11.17.

"Additional Manager Advances" means advances by Manager under Sections 4.05 and 5.05, together with simple interest at the rate of nine percent (9%) per annum on the outstanding balance thereof from time to time.

"Additional Working Capital" has the meaning ascribed to such term in Section 4.05.

"Adverse Regulatory Event" has the meaning ascribed to such term in Section 11.27.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, directly or indirectly, of the power: (i) to vote fifty percent (50%) or more of the voting stock or equity interests of such Person; or (ii) to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting stock or equity interests, by contract or otherwise.

"Agreement" means this Management Agreement.

"Annual Operating Projection" has the meaning ascribed to such term in Section 4.04.

“Annual Operating Statement” has the meaning ascribed to such term in Section 4.01.B.

“Appellate Rules” has the meaning ascribed to such term in Section 11.17.

“Arbitration Award” has the meaning ascribed to such term in Section 11.17.

“Award” has the meaning ascribed to such term in the Lease.

“Base Management Fee” means an amount equal to five percent (5%) of Gross Revenues.

“Building” has the meaning ascribed to such term in the Recitals.

“Business Day” means any day other than Saturday, Sunday, or any other day on which banking institutions in the Commonwealth of Massachusetts are authorized by law or executive action to close.

“Capital Estimate” has the meaning ascribed to such term in Section 5.05.A.

“Capital Statement” has the meaning ascribed to such term in Section 5.06.B.

“Change of Control” means, the acquisition by any Person or Persons acting in concert (excluding Persons who are holders, directly or indirectly, of equity interest in Manager as of the Effective Date or Affiliates or Immediate Family Members of such Persons) of beneficial ownership (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of 50% or more, or rights, options or warrants to acquire 50% or more, of the outstanding shares of voting stock or other voting interests of Manager.

“Claims” has the meaning ascribed to such term in Section 11.18.

“Code” means the Internal Revenue Code of 1986.

“Condemnation” means (a) the exercise of any governmental power with respect to the Hotel or any interest therein, whether by legal proceedings or otherwise, by a Condemnor of its power of condemnation, (b) a voluntary sale or transfer of the Hotel or any interest therein, to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending, or (c) a taking or voluntary conveyance of the Hotel or any interest therein, or right accruing thereto or use thereof, as the result or in settlement of any Condemnation or other eminent domain proceeding affecting the Hotel or any interest therein, whether or not the same shall have actually been commenced.

“Condemnor” means any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

“Controlling Interest” means (i) if the Person is a corporation, the right to exercise, directly or indirectly, more than fifty percent (50%) of the voting rights attributable to the shares of such Person (through ownership of such shares or by contract), or (ii) if the Person is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the business,

management or policies of such Person. “Control”, “Controlling” and “Controlled” have corrective meanings.

“Deduction” has the meaning ascribed to such term in the definition of Operating Profit.

“Discount Rate” means an annual rate of eight percent (8%).

“Disputes” has the meaning ascribed to such term in Section 11.17.

“Effective Date” has the meaning ascribed to such term in the Preamble.

“Environmental Costs” has the meaning ascribed to such term in Section 11.06.C.

“Environmental Laws” has the meaning ascribed to such term in Section 11.06.B.

“Environmental Notice” has the meaning ascribed to such term in Section 11.06.A.

“Environmental Obligation” has the meaning ascribed to such term in Section 11.06.A.

“Existing CC&Rs” has the meaning ascribed to such term in Section 8.02.A.

“FF&E” means furniture, fixtures and equipment, including without limitation: furnishings, fixtures, decorative items, signage, audio-visual equipment, kitchen equipment and appliances, cabinetry, laundry equipment, housekeeping equipment, telecommunications systems, security systems and front desk and back-of-the house computer equipment; provided, however, that the term “FF&E” shall not include Fixed Asset Supplies or software.

“Final Statement” has the meaning ascribed to such term in Section 11.09.A.

“Fixed Asset Supplies” means items included within “Operating Equipment” under the Uniform System of Accounts that may be consumed in the operation of the Hotel or are not capitalized, including linen, china, glassware, tableware, uniforms, and similar items used in the operation of the Hotel.

“Future CC&Rs” has the meaning ascribed to such term in Section 8.02.A.

“GAAP” means generally accepted accounting principles, consistently applied.

“Government Agencies” means any court, agency, authority, board (including, without limitation, environmental protection, planning and zoning), bureau, commission, department, office or instrumentality of any nature whatsoever of any governmental or quasi-governmental unit of the United States or the State or any county or any political subdivision of any of the foregoing, whether now or hereafter in existence, having jurisdiction over Owner, Landlord or the Hotel.

“Gross Revenues” means for any period, all revenues and receipts of every kind derived from operating the Hotel and all departments and parts thereof during such period, including: income (from both cash and credit transactions) after deductions for bad debts and discounts for prompt cash payments and refunds from rental of Guest Rooms and other spaces at the Hotel,

telephone charges, stores, offices, exhibit or sales space of every kind; license, lease and concession fees and rentals (not including gross receipts of licensees, lessees and concessionaires); income from vending machines; income from parking; health club membership fees; food and beverage sales; wholesale and retail sales of merchandise; service charges; and proceeds, if any, from business interruption or other loss of income insurance; provided, however, that Gross Revenues shall not include the following: gratuities to employees of the Hotel; federal, state or municipal excise, sales or use taxes or any other taxes collected directly from patrons or guests or included as part of the sales price of any goods or services; proceeds from the sale of FF&E; interest received or accrued with respect to the funds in the operating accounts of the Hotel; any refunds, rebates, discounts and credits of a similar nature, given, paid or returned in the course of obtaining Gross Revenues or components thereof; insurance proceeds (other than proceeds from business interruption or other loss of income insurance); condemnation proceeds (other than for a temporary taking); or any proceeds from any Sale of the Hotel or from the refinancing of any debt encumbering the Hotel but excluding amounts expressly stated in this Agreement not to be included in Gross Revenues.

“Gross Room Revenues” means all Gross Revenues attributable to or payable for rental of Guest Rooms, after deductions for bad debts and discounts for prompt cash payments and refunds from rental of Guest Rooms, including, without limitation, all credit transactions, whether or not collected, but excluding (i) any sales or room taxes collected by Manager for transmittal to the appropriate taxing authority, and (ii) any revenues from sales or rentals of ancillary goods, such as VCR rentals, telephone income and fireplace log sales and sales from in-room service bars. Gross Room Revenues shall also include the proceeds from any business interruption insurance or other loss of income insurance. Gross Room Revenues shall be accounted for in accordance with the Uniform System of Accounts.

“Guest Room” means a lodging unit in the Hotel.

“Hazardous Substances” means any substance:

- (i) the presence of which requires or may hereafter require notification, investigation or remediation under any federal, state or local statute, regulation, rule, ordinance, order, action or policy; or
- (ii) which is or becomes defined as a “hazardous waste”, “hazardous material”, or “hazardous substance”, “dangerous waster”, “pollutant” or “contaminant” or term of similar import under any present or future federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.) and the regulations promulgated thereunder; or
- (iii) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, any state of the United States, or any political subdivision thereof; or

(iv) the presence of which at the Hotel causes or materially threatens to cause an unlawful nuisance upon the Hotel or to adjacent properties or poses or materially threatens to pose a hazard to the Hotel or to the health or safety of persons on or about the Hotel; or

(v) without limitation, which is or contains gasoline, diesel fuel or other petroleum hydrocarbons or volatile organic compounds; or

(vi) without limitation, which is or contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or

(vii) without limitation, which contains or emits radioactive particles, waves or material; or

(viii) without limitation, constitutes materials which are now or may hereafter be listed as medical waste pursuant to the Medical Waste Tracking Act of 1988, or analogous state or local laws or regulations or guidelines promulgated thereunder.

“Hotel” means the Site together with the Building and all other improvements constructed or to be constructed on the Site, and all FF&E installed or located on the Site or in the Building, and all easements or other Owner rights thereto owned by Landlord together with, for purposes of this Agreement, all office equipment, telephone equipment, motor vehicles, and other equipment leased by Owner, Fixed Asset Supplies and Inventories at the Hotel.

“Initial Effective Date” has the meaning ascribed to such term in the Recitals.

“Interest Rate” means an annual rate of 9%, but not higher than the highest rate permitted by law.

“Immediate Family Member” of an individual means any lineal descendant of such individual (including descendants by adoption), the spouse of any such lineal descendant, the estate of such individual or of his or her lineal descendants, or a trust for the principal benefit of one or more of such individual or of his or her lineal descendants (including a trust the principal beneficiary of which is another trust for the principal benefit of one or more such Persons).

“Impositions” has the meaning ascribed to such term in the Lease but shall not include:

1. Special assessments (regardless of when due or whether they are paid as a lump sum or in installments over time) imposed because of facilities which are constructed by or on behalf of the assessing jurisdiction (for example, roads, sidewalks, sewers, culverts, etc.) which directly benefit the Hotel (regardless of whether or not they also benefit other buildings), which assessments shall be treated as capital costs of construction and not as Deductions; and

2. Impact fees (regardless of when due or whether they are paid as a lump sum or in installments over time) which are required as a condition to the issuance of site plan approval, zoning variances or building permits, which impact fees shall be treated as capital costs of construction and not as Deductions.

“Incentive Management Fee” means, for each Year or portion thereof, an amount equal to twenty percent (20%) of Operating Profit remaining after deducting amounts paid or payable in respect of Owner’s Priority and Reimbursable Advances for such Year; provided that for purposes of determining the Incentive Management Fee, Operating Profit shall be determined based upon 95% of Gross Revenues.

“Insurance Requirements” means all terms of any insurance policy required by this Agreement and all requirements of the issuer of any such policy and all orders, rules and regulations and any other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) binding upon the Hotel.

“Inventories” means “Inventories” as defined in the Uniform System of Accounts, including provisions in storerooms, refrigerators, pantries and kitchens; beverages in wine cellars and bars; other merchandise intended for sale; fuel; mechanical supplies; stationery; and other expensed supplies and similar items.

“Invested Capital” means an amount equal to \$14,644,934, increased by the sum of any amounts paid after the Effective Date by (a) Landlord pursuant to Sections 5.1.2(b), 10.2.3 or 11.2 of the Lease or, (b) Owner pursuant to Section 5.05 or pursuant to Section 6.04 or Section 6.07 in excess of the insurance proceeds or Award, as the case may be.

“Landlord” has the meaning ascribed to such term in the Recitals or shall mean, as of any date, the landlord under the Lease as of such date.

“Lease” means the Lease Agreement between Landlord and Owner, dated as of February 27, 2020, as amended from time to time, and any replacement lease(s) of the Hotel by the fee owner thereof.

“Legal Requirements” means all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions affecting the Hotel or the maintenance, construction, alteration or operation thereof, whether now or hereafter enacted or in existence, including, without limitation, (a) all permits, licenses, authorizations, certificates and regulations necessary to operate the Hotel, and (b) all covenants, agreements, restrictions and encumbrances contained in any instruments at any time in force affecting the Hotel which either (i) do not require the approval of Manager, or (ii) have been approved by Manager as required hereby, including those which may (A) require material repairs, modifications or alterations in or to the Hotel or (B) in any way materially and adversely affect the use and enjoyment thereof, but excluding any requirements under Sections 11.26, 11.27 or 11.28, and (c) all valid and lawful requirements of Government Agencies or pertaining to reporting, licensing, permitting, investigation, remediation and removal of underground improvements (including, without limitation, treatment or storage tanks, or water, gas or oil wells), or emissions, discharges, releases or threatened releases of Hazardous Substances, chemical substances, pesticides, petroleum or petroleum products, pollutants, contaminants or hazardous or toxic substances, materials or wastes whether solid, liquid or gaseous in nature, into the environment, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, underground improvements (including, without limitation, treatment or storage tanks, or water, gas or oil wells), or pollutants,

contaminants or hazardous or toxic substances, materials or wastes, whether solid, liquid or gaseous in nature.

“Loyalty Program” means the Sonesta Travel Pass loyalty program or such replacement or successor “frequent stay” reward program as Manager may employ in the future for the hotels in the System.

“Loyalty Program Fee” means an amount assessed based on defined costs associated with the Loyalty Program, not greater than one percent (1%) of Gross Revenues or such greater amount otherwise mutually agreed upon between Owner and Manager.

“Manager” has the meaning ascribed to such term in the Preamble hereto or shall mean any successor or permitted assign, as applicable.

“Manager Event of Default” has the meaning ascribed to such term in Section 9.01.

“Marketing Programs” means advertising, marketing, promotional and public relations programs and campaigns including so-called “frequent stay” rewards program which are intended for the benefit of all hotels in the System.

“Marketing Program Fee” means an amount equal to one percent (1%) of Gross Revenues or an amount otherwise mutually agreed upon between Owner and Manager.

“Monthly Statement” has the meaning ascribed to such term in Section 4.01.A.

“Mortgage” means any mortgage indebtedness obtained by Landlord to finance the Hotel, and may take the form of a mortgage, deed of trust or security document customarily in use in the State.

“Mortgagee” means the holder of any Mortgage.

“Officer’s Certificate” means a certificate executed by an officer of Manager which certifies that with respect to the Annual Operating Statement delivered under Section 4.01.B, the accompanying statement has been properly prepared in accordance with GAAP and fairly presents the financial operations of the Hotel.

“Operating Loss” means a negative Operating Profit for the Hotel.

“Operating Profit” means the excess of Gross Revenues over the following expenses incurred by Manager in accordance with the Operating Standards and the terms of this Agreement, on behalf of Owner, in operating the Hotel:

1. the cost of sales, including, without limitation, compensation, fringe benefits, payroll taxes and other costs related to Hotel employees (the foregoing costs shall not include salaries and other employee costs of executive personnel of Manager who do not work at the Hotel on a regular basis; except that the foregoing costs shall include the allocable portion of the salary and other employee costs of any general manager or other supervisory personnel assigned to a “cluster” of hotels which includes the Hotel);

2. departmental expenses incurred at departments within the Hotel; administrative and general expenses; the cost of marketing incurred by the Hotel; advertising and business promotion incurred by the Hotel;
3. routine repairs, maintenance and minor alterations under Section 5.02;
4. all charges for electricity, power, gas, oil, water and other utilities consumed in the operation of the Hotel;
5. the cost of Inventories and Fixed Asset Supplies consumed in the operation of the Hotel;
6. lease payments for equipment and other personal property reasonably necessary for the operation of the Hotel and any ground lease payments;
7. a reasonable reserve for uncollectible accounts receivable as determined by Manager;
8. all costs and fees of independent professionals or other third parties who are retained by Manager to perform services required or permitted hereunder;
9. all costs and fees of technical consultants and operational experts who are retained or employed by Manager and/or Affiliates of Manager for specialized services (including, without limitation, quality assurance inspectors) and the cost of attendance by employees of the Hotel at training and manpower development programs sponsored by Manager;
10. the Base Management Fee, Reservations Fee and Systems Fee;
11. insurance costs and expenses for coverage required to be maintained under Section 6.01;
12. taxes, if any, payable by or assessed against Manager related to this Agreement or to Manager's operation of the Hotel (exclusive of Manager's income taxes) and all Impositions;
13. the Marketing Program Fee and the Loyalty Program Fee;
14. the Hotel's share of the costs and expenses of participating in programs and activities prescribed for members of the System (including those central or regional services set forth in Section 1.03) to the extent such costs are not paid pursuant to a Marketing Program;
15. the costs of commercially reasonable efforts of causing the Hotel to be in compliance with each and every provision of the Lease (regardless of whether or not such compliance is a requirement of this Agreement);
16. such other costs and expenses incurred by Manager to comply with Legal Requirements and Insurance Requirements or are otherwise reasonably necessary for the proper and efficient operation of the Hotel; and

17. such other costs and expenses paid to Owner or Landlord pursuant to the Lease or this Agreement, if such costs and expenses would have been a Deduction if paid directly by Manager to a third person in respect of the Hotel, (the items above collectively, “**Deductions**”).

Deductions shall not include (a) payments with respect to items for which Manager has agreed to be liable at its own cost and expense in this Agreement or under any other agreement between Manager and Owner including indemnities, (b) debt service payments pursuant to any Mortgage, (c) payments pursuant to equipment leases or other forms of financing obtained by Owner for the FF&E located in or connected with the Hotel, both of which shall be paid or caused to be paid by Owner, (d) rent payable under the Lease, (e) any reimbursement to Manager for advances Manager makes with respect to the Hotel as permitted hereunder, (f) the Incentive Management Fee, (g) the Procurement and Construction Supervision Fee or, (h) any item specifically stated not to be a Deduction.

“Operating Standards” has the meaning ascribed to such term in Section 1.02.A.

“Overdue Rate” means an annual rate of 12% but not higher than the highest rate permitted by law.

“Owner” has the meaning ascribed to such term in the Preamble or shall mean any successor or permitted assignee, as applicable.

“Owner Advances” has the meaning ascribed to such term in Section 3.02.D.

“Owner Event of Default” has the meaning ascribed to such term in Section 9.03.

“Owner Operating Loss Advance(s)” has the meaning ascribed to such term in Section 4.06.

“Owner’s Personal Property” means all motor vehicles, consumable inventories and supplies, furniture, furnishings, movable walls and partitions, equipment and machinery and all other tangible personal property of Owner, if any, acquired by Owner on and after the date hereof and located at the Hotel or used in Owner’s business at the Hotel, and all modifications, replacements, alterations and additions to such personal property.

“Owner’s Priority” means, for each Year or portion thereof, an amount equal to eight percent (8%) of Invested Capital.

“Owner’s Residual Payment” with respect to each Year or portion thereof, an amount equal to Operating Profit remaining after deducting amounts paid or payable in respect of Owner’s Priority, Reimbursable Advances and the Incentive Management Fee for such Year.

“Owner Working Capital Advances” means the aggregate of all funds remitted by Owner to Manager as Additional Working Capital.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company partnership or other entity, and the heirs, executors,

administrators, legal representatives, successors and assigns of such Person where the context so permits.

“Prior Management Agreement” has the meaning ascribed to such term in the Recitals.

“Procurement and Construction Supervision Fee” means an amount equal to three percent (3%) of all third party costs of capital expenditures under Sections 5.05, 6.04 and 6.07.

“Reimbursable Advances” means the amounts paid or payable in respect of Section 3.02.D.

“Reservation Fee” means one and one-half percent (1.5%) of Gross Room Revenues.

“RMR” has the meaning ascribed to such term in Section 11.17.

“Rules” has the meaning ascribed to such term in Section 11.17.

“Sale of the Hotel” means any sale, assignment, transfer or other disposition, for value or otherwise, voluntary or involuntary, of Owner’s leasehold title to the Hotel or Landlord’s fee title to the Hotel, as the case may be. For purposes of this Agreement, a Sale of the Hotel shall also include a lease (or sublease) of all or substantially all of Owner’s leasehold interest in the Hotel and any sale, assignment, transfer or other disposition, for value or otherwise, voluntary or involuntary, in a single transaction or a series of transactions, of the Controlling Interest in Owner or Landlord, but shall not include any conveyance which results in SVC continuing to hold a Controlling Interest in the transferee.

“SEC” means the United States Securities and Exchange Commission.

“Site” has the meaning ascribed to such term in Section A of the Recitals.

“Sonesta” means Sonesta International Hotels Corporation, a Maryland corporation.

“Sonesta Holdco” means Sonesta Holdco Corporation, a Maryland corporation, Sonesta’s parent.

“Specially Designated National or Blocked Person” means (a) a person designated by the U.S. Department of Treasury’s Office of Foreign Assets Control, or other governmental entity, from time to time as a “specially designated national or blocked person” or similar status, (b) a person described in Section 1 of U.S. Executive Order 13224 issued on September 23, 2001, or (c) a person otherwise identified by government or legal authority as a person with whom Manager or its Affiliates are prohibited from transacting business. Currently, a listing of such designations and the text of the Executive Order are published under the internet website address www.ustreas.gov/offices/enforcement/ofac.

“State” means the state in which the Hotel is located.

“Stockholders Agreement” means that certain Stockholders Agreement dated as of February 27, 2020 by and among Sonesta Holdco, SVC and certain other stockholders of Sonesta Holdco.

“Subordination Agreement” has the meaning ascribed to such term in Section 8.04.

“Subsequent Holder” has the meaning ascribed to such term in Section 8.04.

“SVC” means Service Properties Trust.

“System” means all hotels which are operated under the Trade Names.

“System Fee” mean during any Year, an amount equal to one and one-half percent (1.5%) of Gross Revenues.

“System Standards” means the physical standards (for example, quality of the Building, FF&E, and Fixed Asset Supplies, frequency of FF&E replacements, etc.); each of such standards shall be the standard which is generally prevailing or in the process of being implemented at other hotels in the System, on a fair and consistent basis with other hotels in the System; provided, however, that if the market area or the physical peculiarities of the Hotel warrant, in the reasonable judgment of Manager, a deviation from such standards shall be permitted.

“Term” has the meaning ascribed to such term in Section 2.01.A.

“Trade Names” has the meaning ascribed to such term in Section 11.10.

“Uniform System of Accounts” means the Uniform System of Accounts for the Lodging Industry, Tenth Revised Edition, 2006, as published by the American Hotel & Lodging Educational Institute, as revised from time to time to the extent such revision has been or is in the process of being generally implemented within the System.

“Unsuitable for Its Permitted Use” means a state or condition of the Hotel such that (a) following any damage or destruction involving the Hotel, the Hotel cannot be operated in the good faith judgment of Manager on a commercially practicable basis and it cannot reasonably be expected to be restored to substantially the same condition as existed immediately before such damage or destruction, within nine (9) months following such damage or destruction or such shorter period of time as to which business interruption insurance is available to cover rent and other costs related to the Hotel following such damage or destruction, or (b) as the result of a partial Condemnation, the Hotel cannot be operated, in the good faith judgment of Manager on a commercially practicable basis in light of then existing circumstances.

“Working Capital” means funds that are used in the day-to-day operation of the business of the Hotel.

“Year” means the calendar year.

12.02 Construction. The definitions of terms herein shall apply equally to the singular, plural, past, present and future forms of the terms defined. Whenever the context may require,

any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “herein,” “hereof” and “hereunder,” and words of similar import when used in this Agreement shall be construed to refer to this Agreement in its entirety and not to any particular provision thereof, (iv) all references in this Agreement to Articles, Sections and Exhibits shall be construed to refer to Articles and Sections of, and Exhibits to, this Agreement, and (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time. Any titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the text of this Agreement.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal as of the day and year first written above.

SONESTA INTERNATIONAL HOTELS CORPORATION

By: /s/ Carlos R. Flores

Carlos R. Flores

President and Chief Executive Officer

CAMBRIDGE TRS, INC.

By: /s/ John G. Murray

John G. Murray

President and Chief Executive Officer

Landlord, in consideration of the obligations of Manager and Owner under the within Agreement, joins to evidence its agreement to be bound by the terms of Sections 4.01.C, 4.02.B, 5.05, 5.06.D, Article VI, 8.01, 8.02, 8.04, 10.02, 10.03, 11.07, 11.17, 11.18 and 11.20, to the extent applicable to it.

HPT IHG-2 Properties Trust

By: /s/ John G. Murray

John G. Murray

President and Chief Executive Officer

EXHIBIT A
THE SITE

The real property located at 760 Mt. Vernon Highway N.E., Atlanta, GA.

2

Schedule to Exhibit 10.5

There are 39 amended and restated management agreements with Sonesta International Hotels Corporation or its subsidiaries, or Sonesta, for hotels which we and Sonesta have designated as Sale Hotels, a representative form of which is filed as Exhibit 10.5 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and which is incorporated herein by reference. The other 38 management agreements, with the respective parties and applicable to the respective hotels listed below, are substantially identical in all material respects to the representative form of amended and restated management agreement for the Sale Hotels.

Owner	Hotel	Landlord	Date of A&R Agreement	Date of Original Agreement	Invested Capital Amount
Cambridge TRS, Inc.	Sonesta ES Suites Burlington 11 Old Concord Road Burlington, MA	HPT IHG-2 Properties Trust	February 27, 2020	June 12, 2012	\$25,359,123
Cambridge TRS, Inc.	Sonesta ES Suites Andover 4 Technology Drive Andover, MA	HPT IHG-2 Properties Trust	February 27, 2020	July 25, 2012	\$24,122,559
Cambridge TRS, Inc.	Sonesta ES Suites Malvern 20 Morehall Road Malvern, PA	HPT IHG-2 Properties Trust	February 27, 2020	July 27, 2012	\$27,641,926
Cambridge TRS, Inc.	Sonesta ES Suites Parsippany 61 Interpace Parkway Parsippany, NJ	HPT IHG-2 Properties Trust	February 27, 2020	July 30, 2012	\$28,492,281
Cambridge TRS, Inc.	Sonesta ES Suites Somerset 260 Davidson Avenue Somerset, NJ	HPT IHG-2 Properties Trust	February 27, 2020	July 30, 2012	\$18,192,551

Cambridge TRS, Inc.	Sonesta ES Suites Princeton 4375 U.S. Route 1 South Princeton, NJ	HPT IHG-2 Properties Trust	February 27, 2020	July 30, 2012	\$15,105,579
Cambridge TRS, Inc.	Sonesta ES Suites Dublin 435 Metro Place South Dublin, OH	HPTMI Properties Trust	February 27, 2020	August 6, 2012	\$13,206,482
Cambridge TRS, Inc.	Sonesta ES Suites Flagstaff 3440 Country Club Drive Flagstaff, AZ	HPTMI Properties Trust	February 27, 2020	August 6, 2012	\$11,650,873
Cambridge TRS, Inc.	Sonesta ES Suites Houston 5190 Hidalgo Street Houston, TX	HPT IHG-2 Properties Trust	February 27, 2020	August 6, 2012	\$17,591,414
Cambridge TRS, Inc.	Sonesta ES Suites Columbia 8844 Columbia 100 Parkway Columbia, MD	HPT IHG-2 Properties Trust	February 27, 2020	August 6, 2012	\$19,238,690
Cambridge TRS, Inc.	Sonesta ES Suites Charlotte 7925 Forest Pine Drive Charlotte, NC	HPT IHG-2 Properties Trust	February 27, 2020	August 6, 2012	\$14,336,143
Cambridge TRS, Inc.	Sonesta ES Suites St. Louis 1855 Craigshire Road St. Louis, MO	HPT IHG-2 Properties Trust	February 27, 2020	August 6, 2012	\$12,789,869

Cambridge TRS, Inc.	Sonesta Gwinnett Place 1775 Pleasant Hill Road, Duluth, GA	HPT Cambridge LLC	February 27, 2020 ¹	February 26, 2013	\$ 37,709,842
Cambridge TRS, Inc.	Sonesta ES Suites Tucson 6477 East Speedway Boulevard Tucson, AZ	HPT IHG-2 Properties Trust	February 27, 2020	July 23, 2015	\$9,321,664
Cambridge TRS, Inc.	Sonesta ES Suites Colorado Springs 3880 North Academy Boulevard Colorado Springs, CO	HPT IHG-2 Properties Trust	February 27, 2020	July 23, 2015	\$10,014,302
Cambridge TRS, Inc.	Sonesta ES Suites Minneapolis 3040 Eagandale Place Eagan, MN	HPT IHG-2 Properties Trust	February 27, 2020	July 23, 2015	\$16,896,968

Cambridge TRS, Inc.	Sonesta ES Suites Omaha 6990 Dodge Street Omaha, NE	HPT IHG-2 Properties Trust	February 27, 2020	July 23, 2015	\$9,103,295
Cambridge TRS, Inc.	Sonesta ES Suites Princeton- Monmouth Junction 4225 US Highway 1 South Brunswick - Princeton, NJ	HPT IHG-2 Properties Trust	February 27, 2020	July 23, 2015	\$19,379,807
Cambridge TRS, Inc.	Sonesta ES Suites Somers Point 900 Mays Landing Road Somers Point, NJ	HPT IHG-2 Properties Trust	February 27, 2020	July 23, 2015	\$12,840,821
Cambridge TRS, Inc.	Sonesta ES Suites Cincinnati 2670 Kemper Road Sharonville, OH	HPT IHG-2 Properties Trust	February 27, 2020	July 23, 2015	\$13,081,155
Cambridge TRS, Inc.	Sonesta ES Suites Oklahoma City 4361 West Reno Avenue Oklahoma City, OK	HPT IHG-2 Properties Trust	February 27, 2020	July 23, 2015	\$17,598,869
Cambridge TRS, Inc.	Sonesta ES Suites Burlington 35 Hurricane Lane Williston, VT	HPT IHG-2 Properties Trust	February 27, 2020	July 23, 2015	\$15,391,182
Cambridge TRS, Inc.	Sonesta ES Suites Cleveland Airport 17525 Rosbough Drive Middleburg Heights, OH	HPT IHG-2 Properties Trust	February 27, 2020	February 1, 2016	\$12,565,148
Cambridge TRS, Inc.	Sonesta ES Suites Westlake 30100 Clemens Road Westlake, OH	HPT IHG-2 Properties Trust	February 27, 2020	February 1, 2016	\$8,711,192
Cambridge TRS, Inc.	Sonesta ES Suites Birmingham 3 Greenhill Pkwy at U.S. Highway 280 Birmingham, AL	HPT IHG-2 Properties Trust	February 27, 2020	September 26, 2017	\$6,984,718
Cambridge TRS, Inc.	Sonesta ES Suites Montgomery 1200 Hilmar Court Montgomery, AL	HPT IHG-2 Properties Trust	February 27, 2020	September 26, 2017	\$8,529,458
Cambridge TRS, Inc.	Sonesta ES Suites Wilmington - Newark 240 Chapman Road Newark, DE	HPT IHG-2 Properties Trust	February 27, 2020	September 26, 2017	\$14,157,538
Cambridge TRS, Inc.	Sonesta ES Suites Jacksonville 8365 Dix Ellis Trail Jacksonville, FL	HPT IHG-2 Properties Trust	February 27, 2020	September 26, 2017	\$12,060,279

Cambridge TRS, Inc.	Sonesta ES Suites Ann Arbor 800 Victors Way Ann Arbor, MI	HPT IHG-2 Properties Trust	February 27, 2020	September 26, 2017	\$19,320,537
Cambridge TRS, Inc.	Sonesta ES Suites St. Louis - Chesterfield 15431 Conway Road Chesterfield, MO	HPT IHG-2 Properties Trust	February 27, 2020	September 26, 2017	\$12,303,497
Cambridge TRS, Inc.	Sonesta ES Suites Cincinnati - Blue Ash 11401 Reed Hartman Highway Blue Ash, OH	HPT IHG-2 Properties Trust	February 27, 2020	September 26, 2017	\$15,235,010
Cambridge TRS, Inc.	Sonesta ES Suites Cincinnati - Sharonville West 11689 Chester Road Cincinnati, OH	HPT IHG-2 Properties Trust	February 27, 2020	September 26, 2017	\$13,694,952
Cambridge TRS, Inc.	Sonesta ES Suites Providence - Airport 500 Kilvert Street Warwick, RI	HPT IHG-2 Properties Trust	February 27, 2020	September 26, 2017	\$13,157,793
Cambridge TRS, Inc.	Sonesta ES Suites Memphis 6141 Old Poplar Pike Memphis, TN	HPT IHG-2 Properties Trust	February 27, 2020	September 26, 2017	\$12,176,495
Cambridge TRS, Inc.	Sonesta ES Suites Houston - NASA Clear Lake 525 Bay Area Boulevard Houston, TX	HPT IHG-2 Properties Trust	February 27, 2020	September 26, 2017	\$16,006,466
Cambridge TRS, Inc.	Sonesta ES Suites Portland - Vancouver 8005 NE Parkway Drive Vancouver, WA	HPT IHG-2 Properties Trust	February 27, 2020	September 26, 2017	\$20,713,131
Cambridge TRS, Inc.	Sonesta ES Suites Atlanta - Perimeter Center East 1901 Savoy Drive Atlanta, GA	HPT IHG-3 Properties LLC	February 27, 2020	September 26, 2017	\$15,024,870
Cambridge TRS, Inc.	Sonesta ES Suites Chicago - Lombard 2001 South Highland Avenue Lombard, IL	HPT IHG-3 Properties LLC	February 27, 2020	September 26, 2017	\$13,990,974

1. In November 2017, we and Sonesta International Hotels Corporation converted approximately half of the rooms in the Sonesta Gwinnett Place hotel in Duluth, GA into limited service rooms. The applicable management agreement provides that (i) the base management fee Sonesta earns is three percent (3%) of gross

revenues other than the revenues from the limited service rooms and, then with respect to such limited service rooms, the base management fee is five percent (5%) of the gross

revenues from the limited service rooms and (ii) an advance was made to Sonesta, for working capital, on the effective date in an amount equal to \$1,500 multiplied by the number of guests rooms in such hotel.

AMENDED AND RESTATED POOLING AGREEMENT

THIS AMENDED AND RESTATED POOLING AGREEMENT (this “Agreement”) is made as of February 27, 2020 (the “Effective Date”), by and among Sonesta International Hotels Corporation, a Maryland corporation, and the parties listed on Schedule A (each a “Manager” and collectively, “Managers”) and the parties listed on Schedule B (each an “Owner” and collectively, “Owners”).

RECITALS:

Contemporaneously with this Agreement, each Owner has entered into an Amended and Restated Management Agreement dated as of the Effective Date with a Manager, as listed on Schedule C (each a “Management Agreement” and collectively, the “Management Agreements”) with respect to the real estate and personal property described in Schedule C opposite such Owner’s name which is operated as a full service or a limited service hotel (each a “Hotel” and collectively, the “Hotels”).

Owners and Managers have previously entered into a Pooling Agreement, dated as of April 23, 2012 (as amended as of the date hereof, the “Prior Pooling Agreement”), pursuant to which the working capital for each of the Hotels and all revenues and reserves from operation of each of the Hotels are pooled for purposes of paying operating expenses of the Hotels, fees and other amounts due to Managers and Owners, and each Manager and each Owner desire to amend and restate the terms and provisions of the Prior Pooling Agreement in their entirety and replace them with the terms and provisions of this Agreement effective as of 12.01 a.m. on the Effective Date.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged, each Owner and each Manager agree as follows:

**ARTICLE I
DEFINED TERMS**

1.01. Definitions. Capitalized terms used, but not otherwise defined in this Agreement shall have the meanings given to such terms in the Management Agreements. The following capitalized terms as used in this Agreement shall have the meanings set forth below:

“Additional Hotel” is defined in Section 7.01.

“Additional Owner” is defined in Section 7.01.

“Agreement” is defined in the Preamble.

“Aggregate Additional Manager Advances” means the sum of Additional Manager Advances under all Management Agreements.

“Aggregate Annual Operating Statement” is defined in Article IV.

“Aggregate Base Management Fee” means an amount equal to 3% of the Aggregate Gross Revenues attributable to full service Hotels and 5% of the Aggregate Gross Revenues attributable to limited service Hotels.

“Aggregate Deductions” means the sum of Deductions of the Hotels.

“Aggregate FF&E Reserve Deposit” means, with respect to each Year or portion thereof, an amount equal to five percent (5%) of Aggregate Gross Revenues of the Non-Sale Hotels.

“Aggregate Gross Room Revenues” means the sum of Gross Room Revenues of the Hotels.

“Aggregate Gross Revenues” means the sum of Gross Revenues of the Hotels.

“Aggregate Incentive Management Fee” means, with respect to each Year or portion thereof, an amount equal to twenty percent (20%) of Aggregate Operating Profit remaining after deducting amounts paid or payable in respect of Aggregate Owner’s Priority, Aggregate Reimbursable Advances and the Aggregate FF&E Reserve Deposit for such Year or portion thereof.

“Aggregate Invested Capital” means the sum of the Invested Capital for each of the Hotels.

“Aggregate Monthly Statement” is defined in Article IV.

“Aggregate Operating Profit” means an amount equal to Aggregate Gross Revenues less Aggregate Deductions.

“Aggregate Owner Advances” means the sum of Owner Advances under all Management Agreements.

“Aggregate Owner’s Priority” means for each Year or portion thereof an amount equal to eight percent (8%) of Aggregate Invested Capital.

“Aggregate Owner’s Residual Payment” means, with respect to each Year or portion thereof an amount equal to Aggregate Operating Profit remaining after deducting amounts paid or payable in respect of Aggregate Owner’s Priority, Aggregate Reimbursable Advances, the Aggregate FF&E Reserve Deposit and the Aggregate Incentive Management Fee for such Year.

“Aggregate Reservation Fee” means for each Year or portion thereof an amount equal to one and one-half percent (1.5%) of Aggregate Gross Room Revenues.

“Aggregate Reimbursable Advances” means the sum of Reimbursable Advances of the Hotels.

“Aggregate System Fee” means with respect to each Year or portion thereof an amount equal to one and one-half percent (1.5%) of Aggregate Gross Revenues.

“Effective Date” is defined in the Preamble.

“Hotel” and “Hotels” are defined in the Recitals.

“Landlord(s)” means the owner of the Hotel(s) set forth on Exhibit B.

“Management Agreement” and “Management Agreements” are defined in the Recitals.

“Manager” and “Managers” are defined in the Preamble.

“Non-Sale Hotel” means the Hotels identified on Schedule C as “Non-Sale Hotels” together with any Hotel that becomes subject to this Agreement after the Effective Date.

“Owner” and “Owners” are defined in the Preamble.

“Pooled FF&E Reserves” is defined in Section 6.01.B.

“Pooled FF&E Reserve Account” is defined in Section 6.01.B.

“Prior Pooling Agreement” is defined in the Recitals.

“Sale Hotels” means the Hotels identified on Schedule C as “Sale Hotels”.

“Tested Hotels” means for any Year, all Hotels other than (i) any Sale Hotel, (ii) any Hotel for which a Management Agreement (including any Prior Management Agreement) has not been in effect for at least eighteen (18) months as of January 1 of such Year, (iii) any Hotel undergoing a Major Renovation in such Year, and (iv) any Hotel as to which a Major Renovation was substantially completed less than twelve (12) months prior to January 1 of such Year.

ARTICLE II GENERAL

The parties agree that so long as a Hotel is subject to this Agreement, all Working Capital and all Gross Revenues of such Hotel shall be pooled pursuant to this Agreement and disbursed to pay all Aggregate Deductions, fees and other amounts due to Managers and Owners (not including amounts due pursuant to Section 11.20 of the Management Agreements) with respect to the Hotels and that the corresponding provisions of each Management Agreement shall be superseded as provided in Section 3.03; *provided, however*, Working Capital contributed on or after the Effective Date in respect of a Non-Sale Hotel under Section 4.05 of the Management Agreement for such Non-Sale Hotel shall only be used for Working Capital for the Non-Sale Hotels. Furthermore, the Pooled FF&E Reserves shall only be made available to pay amounts that would be payable from the FF&E Reserves for individual Non-Sale Hotels under Section 5.05 of the Management Agreements for the Non-Sale Hotel and shall be applied before payment is made from any Owner’s or Landlord’s other funds in accordance therewith. The parties further agree that if Manager gives a notice of non-renewal of the Term with respect to any Non-Sale Hotel, it shall be deemed to be a notice of termination or non-renewal with respect to all Management Agreements.

ARTICLE III PRIORITIES FOR DISTRIBUTION OF AGGREGATE GROSS REVENUES

3.01. Priorities for Distribution of Aggregate Gross Revenues. Aggregate Gross Revenues shall be distributed in the following order of priority:

- A. First, to pay all Aggregate Deductions (excluding the Aggregate Base Management Fee, the Aggregate Reservation Fee and the Aggregate System Fee);
- B. Second, to Managers, an amount equal to the Aggregate Base Management Fee, the Aggregate Reservation Fee and the Aggregate System Fee;
- C. Third, to Owners, an amount equal to Aggregate Owner's Priority;
- D. Fourth, *pari passu*, to (i) Owners, in an amount necessary to reimburse Owners for all Aggregate Owner Advances which have not yet been repaid pursuant to this Section 3.01, and (ii) to Managers, in an amount necessary to reimburse Managers for all Aggregate Additional Manager Advances which have not yet been repaid pursuant to this Section 3.01. If at any time the amounts available for distribution to Owners and Managers pursuant to this Section 3.01 are insufficient (a) to repay all outstanding Aggregate Owner Advances, and (b) all outstanding Aggregate Additional Manager Advances, then Owners and Managers shall be paid from such amounts the amount obtained by multiplying a number equal to the amount of the funds available for distribution by a fraction, the numerator of which is the sum of all outstanding Aggregate Owner Advances, or all outstanding Aggregate Additional Manager Advances, as the case may be, and the denominator of which is the sum of all outstanding Aggregate Owner Advances plus the sum of all outstanding Aggregate Additional Manager Advances;
- E. Fifth, to the Pooled FF&E Reserve Account, an amount equal to the Aggregate FF&E Reserve Deposit;
- F. Sixth, to Managers, an amount equal to the Aggregate Incentive Management Fee; and
- G. Finally, to Owners, the Aggregate Owner's Residual Payment.

3.02. Timing of Payments.

A. Payment of the Aggregate Deductions, excluding the Aggregate Base Management Fee, the Aggregate Reservation Fee and the Aggregate System Fee, shall be made in the ordinary course of business. The Aggregate Base Management Fee, the Aggregate Reservation Fee, the Aggregate System Fee, the Aggregate Owner's Priority, the Aggregate FF&E Reserve Deposit, the Aggregate Incentive Management Fee and the Aggregate Owner's Residual Payment shall be paid on or before the twentieth (20th) day after the end of each calendar month, based upon Aggregate Gross Revenues or Aggregate Gross Room Revenues, as the case may be for such month as reflected in the Aggregate Monthly Statement for such month. The Aggregate Owner's Priority shall be determined based upon Aggregate Invested Capital most recently reported to Managers by Owners. If any installment of the Aggregate Base Management Fee, the Aggregate Reservation Fee, the Aggregate System Fee or the Aggregate Owner Priority is not paid when due, it shall accrue interest at the Interest Rate. Calculations and payments of the Aggregate FF&E Reserve Deposit, the Aggregate Incentive Management Fee and/or the Aggregate Owner's Residual Payment with respect to each calendar month within a calendar year shall be accounted for cumulatively based upon the year-to-date Aggregate Operating Profit as reflected in the Aggregate Monthly Statement for such calendar month and shall be adjusted to reflect distributions for prior calendar months in such year. Additional adjustments to all payments will be made on an annual basis based upon

the Aggregate Annual Operating Statement for the Year and any audit conducted pursuant to Section 4.02 of the Management Agreements.

B. Subject to Section 3.02.C, if the portion of Aggregate Gross Revenues to be distributed to Managers or Owners pursuant to Section 3.01 is insufficient to pay amounts then due in full, any amounts left unpaid shall be paid from and to the extent of Aggregate Gross Revenues available therefor at the time distributions are made in successive calendar months until such amounts are paid in full, together with interest thereon, if applicable, and such payments shall be made from such available Aggregate Gross Revenues in the same order of priority as other payments made on account of such items in successive calendar months.

C. Other than with respect to Aggregate Reimbursable Advances, calculations and payments of the fees and other payments in Section 3.01 and distributions of Aggregate Gross Revenues within a Year shall be accounted for cumulatively within a Year, but shall not be cumulative from one Year to the next. Calculations and payments of Aggregate Reimbursable Advances shall be accounted for cumulatively within a Year, and shall be cumulative from one Year to the next.

D. The Aggregate Owner's Priority, the Pooled FF&E Reserves and the Aggregate Owner's Residual Payment shall be allocated among Owners as Owners shall determine in their sole discretion and Managers shall have no responsibility or liability in connection therewith. The Aggregate Incentive Management Fee, Aggregate Base Management Fee, the Aggregate Reservation Fee and the Aggregate System Fee shall be allocated among Managers as Managers shall determine in their sole discretion and Owners shall have no responsibility or liability in connection therewith.

3.03. Relationship with Management Agreements. For as long as this Agreement is in effect with respect to a Hotel, the provisions of Section 3.01 and 3.02 shall supersede Sections 3.02 and 3.03 of the Management Agreement then in effect with the applicable Hotel.

ARTICLE IV FINANCIAL STATEMENTS

Managers shall prepare and deliver the following financial statements to Owners:

(a) Within fifteen (15) days after the close of each calendar month, Managers shall deliver an accounting to Owners showing Aggregate Gross Revenues, Aggregate Gross Room Revenues, occupancy percentage and average daily rate, Aggregate Deductions, Aggregate Operating Profit, and applications and distributions thereof for the preceding calendar month and year-to-date ("Aggregate Monthly Statement").

(b) Within forty-five (45) days after the end of each Year, Managers shall deliver to Owners and Landlords a statement (the "Aggregate Annual Operating Statement") in reasonable detail summarizing the operations of the Hotels for the immediately preceding Year and an Officer's Certificate setting forth the totals of Aggregate Gross Revenues, Aggregate Deductions, and the calculation of the Aggregate Incentive Management Fee and Aggregate Owner's Residual Payment for the preceding Year and certifying that such Aggregate Annual Operating Statement is true and correct. Managers and Owners shall, within ten (10) Business Days after Owner's receipt of such statement, make any adjustments, by cash payment, in the amounts paid or retained for such Year as are required because of variances between the Aggregate Monthly Statements and the Aggregate Annual Operating Statement. Any payments shall be made together with interest at the Interest Rate from the date such amounts were due or paid, as the case

may be, until paid or repaid. The Aggregate Annual Operating Statement shall be controlling over the Aggregate Monthly Statements and shall be final, subject to adjustments required as a result of an audit requested by Owners or Landlords pursuant to Section 4.02.B of the Management Agreements.

(c) Managers shall also prepare and deliver such other statements or reports as any Owners may, from time to time, reasonably request.

The financial statements delivered pursuant to this Article IV are in addition to any financial statements required to be prepared and delivered pursuant to the Management Agreements.

ARTICLE V PORTFOLIO PERFORMANCE TEST

5.01 Portfolio Performance Test. Notwithstanding the provisions of ARTICLE II of the Management Agreements:

A. An Owner will not be permitted to exercise its right to terminate a Management Agreement for a Non-Sale Hotel pursuant to Section 2.02.A of the Management Agreement for such Non-Sale Hotel unless the aggregate amount paid to Owners as Aggregate Owner's Priority pursuant to Section 3.01.C of this Agreement in respect of the Tested Hotels during any three (3) of the four (4) consecutive Years immediately preceding the January 1st referenced in such Section 2.02.A is less than six percent (6%) of Aggregate Invested Capital for the Tested Hotels for such Years, with all such amounts determined annually as if the Tested Hotels for a Year were the only Hotels subject to this Agreement during such Year.

B. If the condition set forth in Section 5.01(a) is satisfied, only a Non-Sale Hotel that is otherwise subject to termination pursuant to Section 2.02.A of its Management Agreement may be terminated and for the purposes of determining the amount of Owner's Priority actually paid in respect of a Non-Sale Hotel under Section 3.02.C of a Management Agreement for any Year, the applicable Owner will be deemed to have received the amount that would have been paid to such Owner as the Owner's Priority in such Year pursuant to Article 3 of such Management Agreement if such Hotel had not been subject to this Agreement.

ARTICLE VI ACCOUNTS

6.01. Accounts; Pooled FF&E Reserve Account.

A. Subject to Section 6.01.B, all Working Capital and all Gross Revenues of each of the Hotels may, until applied in accordance with this Agreement and the applicable Management Agreements, be pooled and deposited in one or more bank accounts in the name(s) of Owners designated by Managers, which accounts may, except as required by any Mortgage and related loan documentation or applicable law, be commingled accounts containing other funds owned by or managed by Managers; *provided, however*, Working Capital contributed on or after the Effective Date in respect of a Non-Sale Hotel under Section 4.05 of the Management Agreement shall only be used for Working Capital of the Non-Sale Hotels.

B. Managers shall establish an interest-bearing account, in the name of Cambridge TRS, Inc., in a bank designated by Manager (and approved by Owners, such approval not to be unreasonably

withheld), into which all FF&E Reserve Deposits and any other amounts to be deposited into an FF&E Reserve Account under a Management Agreement shall be paid (the “**Pooled FF&E Reserve Account**”). Funds on deposit in the Pooled FF&E Reserve Account (the “**Pooled FF&E Reserves**”) shall not be commingled with any other funds without Owners’ consent, and the Pooled FF&E Reserves shall be withdrawn from the Pooled FF&E Reserve Account and applied by Managers only to the extent they are permitted to withdraw and apply FF&E Reserves under a Management Agreement for a Non-Sale Hotel.

C. Managers shall be authorized to access the accounts above without the approval of Owners, subject to (i) any limitation on the maximum amount of any check, if any, established between Managers and Owners as part of the Annual Operating Projections, and (ii) in the case of the Pooled FF&E Reserve Account, such other limitations as maybe set forth in the Management Agreements for the Non-Sale Hotels. One or more Owners shall be a signatory on all accounts maintained with respect to a Hotel, and Owners shall have the right to require that one or more Owners’ signature be required on all checks/withdrawals after the occurrence of a Manager Event of Default. Owners shall provide such instructions to the applicable bank(s) as are necessary to permit Managers to implement Managers’ rights and obligations under this Agreement. The failure of any Owner to provide such instructions shall relieve any Manager of its obligations hereunder until such time as such failure is cured.

ARTICLE VII

ADDITION AND REMOVAL OF HOTELS

7.01. Addition of Hotels. At any time and from time to time, if a Manager and any Owner or any Affiliate of an Owner (an "Additional Owner") enter into a management agreement for the operation of an additional Hotel (an "Additional Hotel"), the Additional Owner may become a party to this Agreement by signing an accession agreement confirming the applicability of this Agreement to such Additional Hotel, provided if the Additional Owner is then a party to this Agreement, the Additional Hotel may be made subject to this Agreement by such Additional Owner and Manager amending and restating Schedules B and C. If an Additional Hotel is made subject to this Agreement other than on the first day of a calendar month, the parties shall include such prorated amounts of the Gross Revenues and Deductions (and other amounts as may be necessary) applicable to the Additional Hotel for such calendar month, as mutually agreed in their reasonable judgment, in the calculation of Aggregate Gross Revenues and Aggregate Deductions (and other amounts as may be necessary) for the calendar month in which the Additional Hotel became subject to this Agreement and shall make any other prorations, adjustments, allocations and changes required. Additionally, any amounts held as Working Capital for the Additional Hotel or to fund capital expenditures, if any, shall be held by Managers under this Agreement.

7.02. Removal of Hotels. From and after the date of termination of any Management Agreement, the Hotel managed thereunder shall no longer be subject to this Agreement. If the termination occurs on a day other than the last day of a calendar month, the parties shall exclude such prorated amounts of the Gross Revenues and Deduction (and other amounts as may be necessary) applicable to such Hotel for such calendar month, as mutually agreed in their reasonable judgment, in the calculation of Aggregate Gross Revenues and Aggregate Deductions (and other amounts as may be necessary) for the calendar month in which the termination occurred. Additionally, Owners and Managers, acting reasonably, shall mutually agree to the portion of the Aggregate Working Capital and Aggregate Gross Revenues allocable to the Hotel being removed from this Agreement and the amount of the Aggregate Working Capital, Aggregate Gross Revenues so allocated and any amounts held to fund capital expenditures, shall be remitted to the relevant Owner and the relevant Owner and relevant Manager shall make any other prorations, adjustments, allocations and changes required.

**ARTICLE VIII
TERM AND TERMINATION**

8.01. Term. This Agreement shall continue and remain in effect indefinitely unless terminated pursuant to
Section 8.02.

8.02. Termination. This Agreement may be terminated as follows:

- (a) By the mutual consent of Managers and Owners which are parties to this Agreement.
- (b) Automatically, if all Management Agreements terminate or expire for any reason.
- (c) By Managers, if any or all Owners do not cure a material breach of this Agreement by any Owner or Landlord within thirty (30) days of written notice of such breach from any Manager and if such breach is not cured, it shall be an Owner Event of Default under the Management Agreements.
- (d) By Owners, if any or all Managers do not cure a material breach of this Agreement by any Manager within thirty (30) days of written notice of such breach from any Owner and if such breach is not cured, it shall be a Manager Event of Default under the Management Agreements.

8.03. Effect of Termination. Upon the termination of this Agreement, except as otherwise provided in Section 9.04.B. of the Management Agreements, Managers shall be compensated for their services only through the date of termination and all amounts remaining in any accounts maintained by Managers pursuant to Article VI, after payment of such amounts as may be due to Managers hereunder, shall be distributed to Owners. Notwithstanding the foregoing, upon the termination of any single Management Agreement, pooled funds shall be allocated as described in Section 7.02.

8.04. Survival. The following Sections of this Agreement shall survive the termination of this Agreement:
Section 8.03 and Article IX.

**ARTICLE IX
MISCELLANEOUS PROVISIONS**

9.01. Notices. All notices, demands, consents, approvals, and requests given by any party to another party hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, upon confirmation of receipt when transmitted by facsimile transmission, or on the next business day if transmitted by nationally recognized overnight courier, to the parties at the following addresses:

To Owners:

Cambridge TRS, Inc.
Two Newton Place

255 Washington Street
Newton, Massachusetts 02458
Attn: President
Facsimile:

To Managers:

Sonesta International Hotels Corporation
Two Newton Place
255 Washington Street
Newton, Massachusetts 02458
Attn: President
Facsimile:

9.02. Applicable Law; Arbitration. This Agreement shall be interpreted, construed, applied and enforced in accordance with the laws of the Commonwealth of Massachusetts, with regard to its “choice of law” rules. Any “Dispute” (as such term is defined in the Management Agreements) under this Agreement shall be resolved through final and binding arbitration conducted in accordance with the procedures and with the effect of, arbitration as provided for in the Management Agreements.

9.03. Severability. If any term or provision of this Agreement or the application thereof in any circumstance is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

9.04. Gender and Number. Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words herein shall include the singular and plural.

9.05. Headings and Interpretation. The descriptive headings in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. References to “Section” in this Agreement shall be a reference to a Section of this Agreement unless otherwise indicated. Whenever the words “include,” “includes” or “including” are used in this Agreement they shall be deemed to be followed by “without limitation.” The words “hereof,” “herein,” “hereby,” and “hereunder, when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision unless otherwise indicated. The word “or” shall not be exclusive. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting.

9.06. Confidentiality of Information. Any information exchanged between a Manager and each Owner pursuant to the terms and conditions of this Agreement shall be subject to Section 11.07 of the Management Agreements.

9.07. Assignment. Neither any Manager nor any Owner may assign its rights and obligations under this Agreement to any other Person without the prior written consent of the other parties.

9.08. Entire Agreement; Construction; Amendment. With respect to the subject matter hereof, this Agreement supersedes all previous contracts and understandings between the parties and constitutes the entire Agreement between the parties with respect to the subject matter hereof. Accordingly, in the event of any conflict between the provisions of this Agreement and the Management Agreements, the provisions of this Agreement shall control, and the provisions of the Management Agreements are deemed amended and modified, in each case as required to give effect to the intent of the parties in this Agreement. All other terms and conditions of the Management Agreements shall remain in full force and effect; provided that, to the extent that compliance with this Agreement shall cause a default, breach or other violation of the Management Agreement by one party, the other party waives any right of termination, indemnity, arbitration or otherwise under the Management Agreement related to that specific default, breach or other violations, to the extent caused by compliance with this Agreement. This Agreement may not be modified, altered or amended in any manner except by an amendment in writing, duly executed by the parties hereto.

9.09. Third Party Beneficiaries. The terms and conditions of this Agreement shall inure to the benefit of, and be binding upon, the respective successors, heirs, legal representatives or permitted assigns of each of the parties hereto and except for Landlord(s), which are intended third party beneficiaries, no Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement.

9.10. Prior Pooling Agreement. For the avoidance of doubt, the Prior Pooling Agreement shall continue to govern the rights and obligations of the parties with respect to periods prior to the Effective Date, and this Agreement shall govern the rights and obligations of the parties with respect to periods from and after the Effective Date.

[Signatures begin on the following page.]

[Signature Page to the Sonesta Pooling Agreement]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement with the intention of creating an instrument under seal.

Owners:

CAMBRIDGE TRS, INC.

By: /s/ John G. Murray
John G. Murray
President and Chief Executive Officer

HPT WACKER DRIVE TRS LLC

By: /s/ John G. Murray

John G. Murray

President and Chief Executive Officer

HPT CLIFT TRS LLC

By: /s/ John G. Murray

John G. Murray

President and Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement with the intention of creating an instrument under seal.

Managers:

SONESTA INTERNATIONAL HOTELS CORPORATION

By: /s/ Carlos R. Flores

Carlos R. Flores

President and Chief Executive Officer

SONESTA CHICAGO LLC

By: /s/ Carlos R. Flores

Carlos R. Flores

President and Chief Executive Officer

SONESTA CLIFT LLC

By: /s/ Carlos R. Flores

Carlos R. Flores

President and Chief Executive Officer

Schedule A

Additional Managers

Sonesta Clift LLC, a Maryland limited liability company

Sonesta Chicago LLC, a Maryland limited liability company

Schedule B

Owners

Cambridge TRS, Inc., a Maryland corporation

HPT Clift TRS LLC, a Maryland limited liability company

HPT Wacker Drive TRS LLC, a Maryland limited liability company

Schedule C

Hotels and Management Agreements

NON-SALE HOTELS:			
Owner	Hotel	Landlord	Manager
Cambridge TRS, Inc.	Sonesta Hilton Head 130 Shipyard Drive Hilton Head, SC	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Royal Sonesta Cambridge 40 Edwin H. Land Boulevard Cambridge, MA 02142	HPT Cambridge LLC	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Royal Sonesta Harbor Court Baltimore 550 Light Street Baltimore, MD	Harbor Court Associates, LLC	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta Hotel Philadelphia 1800 Market Street Philadelphia, PA	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Royal Sonesta Houston Hotel 2222 West Loop South Houston, TX	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Royal Sonesta New Orleans 300 Bourbon Street New Orleans, LA	Royal Sonesta, Inc.	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta Fort Lauderdale 999 North Fort Lauderdale Beach Boulevard Fort Lauderdale, FL	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation

Cambridge TRS, Inc.	Sonesta Silicon Valley 1820 Barber Lane Milpitas, CA	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Royal Sonesta Chase Park Plaza 212-232 Kingshighway Boulevard St. Louis, MO	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
HPT Clift TRS LLC	The Clift Royal Sonesta Hotel 495 Geary Street San Francisco, CA	HPT Geary Properties Trust	Sonesta Clift LLC
Cambridge TRS, Inc.	The Sonesta Irvine 17941 Von Karman Avenue Irvine, CA	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
HPT Wacker Drive TRS LLC	The Royal Sonesta Chicago 71 East Wacker Drive Chicago, IL	HPT IHG-2 Properties Trust	Sonesta Chicago LLC
Cambridge TRS, Inc.	Sonesta Suites Scottsdale 7300 East Gainey Suites Drive Scottsdale, AZ	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Orlando 8480 International Drive Orlando, FL	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation

SALE HOTELS:			
Owner	Hotel	Landlord	Manager
Cambridge TRS, Inc.	Sonesta Gwinnett Place 1775 Pleasant Hill Road Duluth, GA	HPT Cambridge LLC	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Atlanta 760 Mt. Vernon Highway N.E. Atlanta, GA	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Burlington 11 Old Concord Road Burlington, MA	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Andover 4 Technology Drive Andover, MA	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Parsippany 61 Interpace Parkway Parsippany, NJ	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Somerset 260 Davidson Avenue Somerset, NJ	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation

Cambridge TRS, Inc.	Sonesta ES Suites Princeton 4375 U.S. Route 1 South Princeton, NJ	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Malvern 20 Morehall Road Malvern, PA	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Dublin 435 Metro Place South Dublin, OH	HPTMI Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Flagstaff 3440 Country Club Drive Flagstaff, AZ	HPTMI Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Houston 5190 Hidalgo Street Houston, TX	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Columbia 8844 Columbia 100 Parkway Columbia, MD	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Charlotte 7925 Forest Pine Drive Charlotte, NC	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites St. Louis 1855 Craigshire Road St. Louis, MO	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Tucson 6477 East Speedway Boulevard Tucson, AZ	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Colorado Springs 3880 North Academy Boulevard Colorado Springs, CO	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Minneapolis 3040 Eagandale Place Eagan, MN	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Omaha 6990 Dodge Street Omaha, NE	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Princeton 4225 US Highway 1 South Brunswick - Princeton, NJ	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Somers Point 900 Mays Landing Road Somers Point, NJ	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation

Cambridge TRS, Inc.	Sonesta ES Suites Cincinnati 2670 Kemper Road Sharonville, OH	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Oklahoma City 4361 West Reno Avenue Oklahoma City, OK	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Burlington 35 Hurricane Lane Williston, VT	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Cleveland Airport 17525 Rosbough Drive Middleburg Heights, OH	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Westlake 30100 Clemens Road Westlake, OH	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Birmingham 3 Greenhill Pkwy at U.S. Highway 280 Birmingham, AL	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Montgomery 1200 Hilmar Court Montgomery, AL	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Wilmington - Newark 240 Chapman Road Newark, DE	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Jacksonville 8365 Dix Ellis Trail Jacksonville, FL	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Ann Arbor 800 Victors Way Ann Arbor, MI	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites St. Louis - Chesterfield 15431 Conway Road Chesterfield, MO	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Cincinnati - Blue Ash 11401 Reed Hartman Highway Blue Ash, OH	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Cincinnati - Sharonville West 11689 Chester Road Cincinnati, OH	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Providence - Airport 500 Kilvert Street Warwick, RI	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation

Cambridge TRS, Inc.	Sonesta ES Suites Memphis 6141 Old Poplar Pike Memphis, TN	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Houston - NASA Clear Lake 525 Bay Area Boulevard Houston, TX	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Portland - Vancouver 8005 NE Parkway Drive Vancouver, WA	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Atlanta - Perimeter Center East 1901 Savoy Drive Atlanta, GA	HPT IHG-3 Properties LLC	Sonesta International Hotels Corporation
Cambridge TRS, Inc.	Sonesta ES Suites Chicago - Lombard 2001 South Highland Avenue Lombard, IL	HPT IHG-3 Properties LLC	Sonesta International Hotels Corporation

STOCKHOLDERS AGREEMENT

by and among

SONESTA HOLDCO CORPORATION

a Maryland corporation,

SERVICE PROPERTIES TRUST

a Maryland real estate investment trust,

ADAM D. PORTNOY

an Individual,

and

DIANE PORTNOY, AS TRUSTEE OF

THE DIANE PORTNOY 2019 REVOCABLE TRUST

a New Hampshire Trust

dated as of

February 27, 2020

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EXHIBITS

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Notice Addresses

Exhibit B

Form of Joinder Agreement

STOCKHOLDERS AGREEMENT

This Stockholders Agreement (this “**Agreement**”), dated as of February 27, 2020, is entered into by and among Sonesta Holdco Corporation, a Maryland corporation (the “**Company**”), Service Properties Trust, a Maryland real estate investment trust (“**SVC**”), Diane Portnoy, as trustee of the Diane Portnoy 2019 Revocable Trust under agreement dated May 28, 2019 (the “**Diane Trust**”), Adam D. Portnoy, an individual residing in Boston, Massachusetts (“**Adam**”; the Diane Trust and Adam together, the “**Initial Stockholders**”) and the Permitted Transferees of the Initial Stockholders and SVC who after the date hereof acquire Company Shares (such Persons, collectively with the Initial Stockholders and SVC, the “**Stockholders**”).

RECITALS

WHEREAS, pursuant to that certain Transaction Agreement by and among the Company, and SVC, dated as of February 27, 2020, SVC acquired one hundred and thirty-four (134) newly issued shares of common stock, par value \$0.01 per share, of the Company (“**Company Common Stock**”);

WHEREAS, prior to SVC’s acquisition of Company Common Stock, all of the outstanding shares of the Company Common Stock were owned by the Initial Stockholders;

WHEREAS, the Stockholders and the Company deem it in their best interests to set forth in this Agreement their respective rights and obligations in connection with certain matters related to the ownership, governance and operation of the Company;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Article I

DEFINITIONS

Capitalized terms used in this Agreement and not otherwise defined shall have the meanings set forth in this Article I.

“**AAA**” has the meaning set forth in Section 8.13(a).

“**Adam**” has the meaning set forth in the preamble.

“**Additional Company Shares**” has the meaning set forth in Section 4.03(a).

“**Adverse Regulatory Event**” has the meaning set forth in Section 4.04(a).

“**Affiliate**” means with respect to any Person, any other Person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such Person. For purposes of this definition, “control,” when used with respect to any specified Person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or

partnership or other ownership interests, by contract or otherwise; and the terms “controlling” and “controlled” shall have correlative meanings.

“**Agreement**” has the meaning set forth in the preamble.

“**Appellate Rules**” has the meaning set forth in Section 8.13(g).

“**Applicable Law**” means all applicable provisions of (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority, (b) any consents or approvals of any Governmental Authority and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority.

“**Award**” has the meaning set forth in Section 8.13(e).

“**Business Day**” means any day other than Saturday, Sunday, or any other day on which banking institutions in The Commonwealth of Massachusetts are authorized by Applicable Law or executive action to close.

“**Bylaws**” means the bylaws of the Company as amended, modified, supplemented or restated from time to time in accordance with Applicable Law or the Charter.

“**Call Acceptance Notice**” has the meaning set forth in Section 3.06(b).

“**Call Alternative Value**” has the meaning set forth in Section 3.06(b).

“**Call Alternative Value Notice**” has the meaning set forth in Section 3.06(b).

“**Call Exercise Period**” has the meaning set forth in Section 3.06(b).

“**Call Notice**” has the meaning set forth in Section 3.06(a).

“**Call Shares**” has the meaning set forth in Section 3.06(a).

“**Call Price**” has the meaning set forth in Section 3.06(a).

“**Call Right**” has the meaning set forth in Section 3.06(a).

“**Call Withdrawal Period**” has the meaning set forth in Section 3.06(d)(iv).

“**Change of Control**” means any transaction or series of related transactions (as a result of a tender offer, merger, consolidation or otherwise) that results in, or that is in connection with, (a) any Third Party Purchaser or “group” (within the meaning of Section 13(d)(3) of the Exchange Act) of Third Party Purchasers acquiring beneficial ownership, directly or indirectly, of a majority of the then issued and outstanding voting Company Shares of the Company or (b) the sale, lease, exchange, conveyance, transfer or other disposition (for cash, equity, securities or other consideration) of all or substantially all of the property and assets of the Company and its respective Subsidiaries (if any) on a consolidated basis (including any liquidation, dissolution or

winding up of the affairs of the Company, or any other distribution made in connection therewith), to any Third Party Purchaser or “group” (within the meaning of Section 13(d)(3) of the Exchange Act) of Third Party Purchasers.

“**Charter**” means the articles of incorporation of the Company as amended, modified, supplemented or restated from time to time in accordance with Applicable Law.

“**Chosen Courts**” has the meaning set forth in Section 8.12.

“**Company**” has the meaning set forth in the preamble.

“**Company Common Stock**” has the meaning set forth in the recitals.

“**Company Put Valuation Firm**” has the meaning set forth in Section 3.07(d)(i).

“**Company Shares**” means the Company Common Stock, preferred stock and all other capital stock of a Company, whether voting or nonvoting, and any securities issued in respect thereof, or in substitution therefor, in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or similar reorganization.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

“**Determined Call Price**” has the meaning set forth in Section 3.06(d)(iii).

“**Determined Put Price**” has the meaning set forth in Section 3.07(d)(iii).

“**Determined ROFO Price**” has the meaning set forth in Section 3.02(f)(iii).

“**Diane Trust**” has the meaning set forth in the preamble.

“**Director**” means each director of the Company.

“**Disputes**” has the meaning set forth in Section 8.13(a).

“**Drag-along Notice**” has the meaning set forth in Section 3.03(b).

“**Drag-along Participating Stockholders**” has the meaning set forth in Section 3.03(a).

“**Drag-along Sale**” has the meaning set forth in Section 3.03(a).

“**Drag-along Stockholder**” has the meaning set forth in Section 3.03(a).

“**Dragging Stockholders**” has the meaning set forth in Section 3.03(a).

“**Electing Put Party**” has the meaning set forth in Section 3.07(a).

“Electing SVC Parties” has the meaning set forth in Section 3.02(a).

“Equityholders Agreement” means that certain Equityholders Agreement, dated as of June 3, 2019, as amended February 27, 2020, among the Initial Stockholders and the other companies named therein, as such agreement may be further amended, modified, supplemented or restated in accordance with its terms.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time.

“Excluded Shares” means any: (a) Company Shares issued or sold in connection with (i) a grant to any existing or prospective consultants, employees, officers or Directors pursuant to any stock option, employee stock purchase or similar equity-based plans or other compensation agreement maintained by the Company and approved by the Directors or (ii) the exercise or conversion of options to purchase Company Shares, or Company Shares issued to any existing or prospective consultants, employees, officers or Directors pursuant to any stock option, employee stock purchase or similar equity-based plans or any other compensation agreement; provided, however, that after giving effect to any grant pursuant to this clause (a), the aggregate amount of Company Shares issued, on a fully diluted basis, pursuant to this clause (a) shall not be more than fifteen percent (15%) of the outstanding Company Shares (by vote or value) on a fully diluted basis at the time of the issuance of such Company Shares; and (b) Company Shares or any equity of a Subsidiary of the Company issued or sold in connection with (i) any bona fide acquisition from a Third Party Purchaser on arms’ length terms of such Third Party Purchaser’s stock, assets, properties or business (whether by merger, acquisition of equity securities, acquisition of assets or otherwise) approved by the Directors; (ii) a Public Offering; (iii) a bona fide leasing or debt financing arrangements with a Third Party Purchaser; or (iv) a bona fide strategic alliance or transaction with any Third Party Purchaser on arms’ length terms at the time the Company Shares were issued or the right or option to acquire such Company Shares were granted.

“Exercising Pre-emptive Stockholder” has the meaning set forth in Section 4.03(d).

“Final Price” has the meaning set forth in Section 3.07(e).

“Fiscal Year” means for financial accounting purposes, the fiscal year employed from time to time by the Company.

“GAAP” means United States generally accepted accounting principles in effect from time to time.

“Governmental Authority” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Applicable Law), or any arbitrator, court or tribunal of competent jurisdiction.

“Immediate Family Member” means Adam, Diane Portnoy or any lineal descendant of Adam or Diane Portnoy (including descendants by adoption), the spouse of any lineal descendant of Adam or Diane Portnoy, the estate of any such Person, or a trust for the principal benefit of one or more such Persons (including a trust the principal beneficiary of which is another trust for the principal benefit of one or more such Persons).

“Information” has the meaning set forth in Section 4.02(a).

“Initial ROFO Exercise Period” has the meaning set forth in Section 3.02(d).

“Initial Stockholders” has the meaning set forth in the preamble.

“Initial Stockholder Parties” means the Initial Stockholders and their Permitted Transferees who acquire Company Shares.

“Issuance Notice” has the meaning set forth in Section 4.03(b).

“Joinder Agreement” means the joinder agreement in the form and substance of Exhibit B attached hereto.

“Joint Valuation Firm” means a mutually acceptable Third Party Valuation Firm.

“Non-Exercising Pre-emptive Stockholder” has the meaning set forth in Section 4.03(d).

“Offered Shares” has the meaning set forth in Section 3.02(c).

“Organizational Documents” means the Charter, Bylaws and any written agreement between or among any Stockholders.

“Over-allotment Exercise Period” has the meaning set forth in Section 4.03(d).

“Over-allotment Notice” has the meaning set forth in Section 4.03(d).

“Permitted Transfer” means any of the following:

- (a) the Transfer of any Company Shares by a Stockholder to one or more of its Permitted Transferees; or
 - (b) a pledge of any Company Shares by SVC that creates a security interest in the pledged Company Shares pursuant to a bona fide loan or indebtedness transaction, in each case, with a third party lender that makes the loan in the ordinary course of its business, so long as SVC or one or more of its Permitted Transferees, as the case may be, continues to exercise exclusive voting control over the pledged Company Shares; provided, however, that a foreclosure on the pledged Company Shares or other action that would result in a Transfer of the pledged Company Shares to the pledgee shall not be a “Permitted Transfer” within the meaning of this paragraph (b) of this definition unless the pledgee is a Permitted Transferee.
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“Permitted Transferee” means any of the following:

- (a) with respect to SVC:
 - (i) any Affiliate of SVC, which is controlled, directly or indirectly, by SVC; provided, however, that such Affiliate shall only remain a Permitted Transferee for as long as such entity is controlled, directly or indirectly, by SVC;
 - (ii) any other Stockholder; or
 - (iii) any entity to which The RMR Group LLC or its Subsidiaries provide management services at the time of the Permitted Transfer; and
- (b) with respect to the Initial Stockholders, any Immediate Family Member.

“Person” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

“Pre-emptive Acceptance Notice” has the meaning set forth in Section 4.03(c).

“Pre-emptive Exercise Period” has the meaning set forth in Section 4.03(c).

“Pre-emptive Purchaser” has the meaning set forth in Section 4.03(b).

“Pre-emptive Stockholder” has the meaning set forth in Section 4.03(a).

“Proceeding” means any suit, action, proceeding, arbitration, mediation, audit, hearing, inquiry or, to the knowledge of the Person in question, investigation (in each case, whether civil, criminal, administrative, investigative, formal or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority.

“Proposed Transferee” has the meaning set forth in Section 3.04(a).

“Public Offering” means the sale of Company Common Stock by the Company to the public pursuant to a registration statement (other than a pursuant to a registration statement on Form S-4 or Form S-8 or any successor form) declared effective under the Securities Act.

“Put Alternative Value” has the meaning set forth in Section 3.07(c).

“Put Alternative Value Notice” has the meaning set forth in Section 3.07(c).

“Put Event” means a breach by the Company or any Initial Stockholder Party of Section 4.04(b) has occurred.

“Put Exercise Period” has the meaning set forth in Section 3.07(c).

“Put Notice” has the meaning set forth in Section 3.07(a).

“**Put Price**” has the meaning set forth in Section 3.07(a).

“**Put Right**” has the meaning set forth in Section 3.07(a).

“**Put Shares**” has the meaning set forth in Section 3.07(a).

“**Registration Rights Agreement**” means that certain Registration Rights Agreement, dated as of the date hereof, by and between the Company and SVC, as such agreement may be amended, modified, supplemented or restated in accordance with its terms.

“**REIT**” means a Person that is an entity intending in good faith to qualify as a real estate investment trust under the Code.

“**REIT Party**” means each of (i) SVC together with its Subsidiaries and (ii) any Permitted Transferee of SVC that is, or is a Subsidiary of, a REIT, together with all Subsidiaries of the applicable REIT.

“**Related Party Agreement**” means any agreement, arrangement or understanding between the Company and its Subsidiaries, on the one hand, and any Stockholder or any Affiliate of a Stockholder (other than SVC or its Subsidiaries) or any Director, officer or employee of the Company, on the other hand, as such agreement may be amended, modified, supplemented or restated in accordance with the terms of this Agreement.

“**Related Party Transaction**” means any transaction between the Company and any Stockholder or any Affiliate of a Stockholder (other than SVC or its Subsidiaries) or any Director, officer or employee of the Company.

“**ROFO Acceptance Notice**” has the meaning set forth in Section 3.02(d).

“**ROFO Alternative Value**” has the meaning set forth in Section 3.02(d).

“**ROFO Alternative Value Notice**” has the meaning set forth in Section 3.02(d).

“**ROFO Process**” has the meaning set forth in Section 3.06(g).

“**Rules**” has the meaning set forth in Section 8.13(a).

“**Sale Notice**” has the meaning set forth in Section 3.04(b).

“**Second ROFO Exercise Period**” has the meaning set forth in Section 3.02(f)(iv).

“**Securities Act**” means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time.

“**Selling Stockholder**” has the meaning set forth in Section 3.04(a).

“**Subsidiary**” means with respect to any Person, any other Person of which a majority of the outstanding equity interests having the power to vote for directors or managers, or comparable Persons charged with governance authority, are owned, directly or indirectly, by the first Person.

“Stockholders” has the meaning set forth in the preamble.

“SVC” has the meaning set forth in the preamble.

“SVC Offer Notice” has the meaning set forth in Section 3.02(b).

“SVC Parties” means SVC and its Permitted Transferees who acquire Company Shares.

“SVC ROFO Price” has the meaning set forth in Section 3.02(c) .

“SVC Valuation Firm” has the meaning set forth in Section 3.06(d)(i).

“Tag-along Notice” has the meaning set forth in Section 3.04(c).

“Tag-along Participating Stockholders” has the meaning set forth in Section 3.04(a).

“Tag-along Period” has the meaning set forth in Section 3.04(a).

“Tag-along Sale” has the meaning set forth in Section 3.04(a).

“Tag-along Stockholder” has the meaning set forth in Section 3.04(a).

“Termination Event” means the termination by SVC of all of SVC’s or its Subsidiaries’ management agreements with Sonesta International Hotels Corporation, a Maryland corporation, or any of its Subsidiaries.

“Third Party Purchaser” means any Person who, immediately prior to the contemplated transaction with respect to the Company, (a) does not directly or indirectly own or have the right to acquire any outstanding Company Shares or (b) is not a Person who is or would qualify as a Permitted Transferee of any Person who directly or indirectly owns or has the right to acquire any Company Shares.

“Third Party Valuation Firm” means any independent investment bank or valuation firm with a national, established reputation for the valuation of securities.

“Transfer” means to, directly or indirectly, sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any Company Shares owned by a Person or any interest (including a beneficial interest) in any Company Shares owned by a Person.

“Waived ROFO Transfer Period” has the meaning set forth in Section 3.02(h).

“Waived Call Transfer Period” has the meaning set forth in Section 3.06(f).

“**Withdrawal Period**” has the meaning set forth in Section 3.02(f)(iv).

ARTICLE II

MANAGEMENT AND OPERATION OF THE COMPANY

Section 2.01 Voting Arrangements. In addition to any vote or consent of the Directors or Stockholders required by Applicable Law, without the approval of SVC the Company shall not, and shall not enter into any commitment to, and shall not permit any of its Subsidiaries to, or enter into any commitment to:

(a) amend, modify or waive any provision of the Charter or Bylaws or the governing documents of such Subsidiary or enter into, amend, modify or waive any provision of any written agreement among the Company and any of its stockholders or such Subsidiary and any of its equityholders (other than this Agreement which can only be amended pursuant to Section 8.10, in each case, in a manner (i) disproportionately adverse to the SVC Parties as compared to all other stockholders of the Company holding the same class of Company Shares as the SVC Parties or (ii) materially adverse to the SVC Parties (it being understood the amendment, modification, or waiver of any provision of the Charter or Bylaws or any such governing documents or the entering into, or amendment, modification or waiver of any provision of, any such agreements to permit the authorization and effect the issuance of Company Shares with preferences or priorities over the Company Common Stock shall not be deemed adverse to the SVC Parties in their capacity as holders of Company Common Stock; provided, that any amendment, modification, or waiver of any provision of the Charter or Bylaws or the governing documents of a Subsidiary or the entering into, or amendment, modification or waiver of any provision of, any agreements among the Company and any of its stockholders or a Subsidiary and any of its equityholders that would cause the Company to be in breach of, or be otherwise unable to comply with its obligations under, this Agreement or the Registration Rights Agreement shall be deemed materially adverse to the SVC Parties); or

(b) subject to Section 2.02, enter into, amend in any material respect, waive or terminate any Related Party Agreement or Related Party Transaction other than on terms that are on an arm’s length basis and no less favorable to the Company or the relevant Subsidiary than could be obtained from an unaffiliated third party.

Section 2.02 Related Party Redemptions. The Company shall give SVC prior notice of any redemption of any Company Shares or any equity interests of any Subsidiary from any Initial Stockholder or any Immediate Family Member, which notice shall specify the proposed redemption price and any other material terms related to such proposed redemption and a current valuation of the Company Shares or equity interests proposed to be redeemed, together with reasonable supporting documentation.

Article II

TRANSFER OF INTERESTS

Section 3.01 General Restrictions on Transfer.

(a) Except for Permitted Transfers or in accordance with the procedures described in Section 3.02, Section 3.03, Section 3.04, Section 3.06 or Section 3.07, each Stockholder agrees that it will not, directly or indirectly, voluntarily or involuntarily Transfer any of its Company Shares. Any Company Shares transferred to a Third Party Purchaser pursuant to Section 3.02, Section 3.03, Section 3.04, Section 3.06 or Section 3.07 shall cease to be subject to this Agreement.

(b) In addition to any legends required by Applicable Law and any legends set forth in the Organizational Documents, any certificate representing the Company Shares held by a Stockholder shall bear a legend substantially in the following form:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A STOCKHOLDERS AGREEMENT (A COPY OF WHICH IS ON FILE WITH THE COMPANY). NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH AGREEMENT AND (A) PURSUANT TO A REGISTRATION STATEMENT EFFECTIVE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER. THE HOLDER OF THIS CERTIFICATE, BY ACCEPTANCE OF THIS CERTIFICATE, AGREES TO BE BOUND BY ALL OF THE PROVISIONS OF SUCH STOCKHOLDERS AGREEMENT.”

(c) Each Stockholder shall give notice to the Company and the other Stockholders prior to any proposed Transfer (whether or not a Permitted Transfer) of any of its Company Shares. In connection with the consummation of any Transfer by a Stockholder of any of its Company Shares (including by operation of law) to a Permitted Transferee, such Permitted Transferee shall be required to execute and deliver to the Company and each other Stockholder, a Joinder Agreement; it being understood that such Permitted Transferee shall automatically be deemed to be a party to, and shall be bound by, all of the terms and conditions of this Agreement, whether or not such Permitted Transferee has executed and delivered a Joinder Agreement.

(d) Notwithstanding any other provision of this Agreement, but subject to Section 4.04(b), each Stockholder agrees that it will not, directly or indirectly, Transfer any of its Company Shares (i) if it would cause a violation of the Securities Act or other applicable federal or state securities laws (it being understood that, upon request by the Company, there must be delivered to the Company an opinion of counsel in form and substance satisfactory to the Company to the effect that such Transfer may be effected without registration under the Securities Act), (ii) if it would cause the Company or any of its Subsidiaries to be required to register as an investment company under the Investment Company Act of 1940, as amended or (iii) if it would cause the assets of the Company or any of its Subsidiaries to be deemed plan assets as defined under the Employee Retirement Income Security Act of 1974 or its accompanying regulations or result in any “prohibited transaction” thereunder involving the Company.

(e) Any Transfer or attempted Transfer of any Company Shares in violation of this Agreement shall be null and void, no such Transfer shall be recorded on the Company’s books

(f) and the purported transferee in any such Transfer shall not be treated (and the purported transferor shall continue be treated) as the owner of the Company Shares for all purposes of this Agreement.

Section 3.02 Right of First Offer.

(a) Subject to Section 3.06(g), one or more SVC Parties (the “**Electing SVC Parties**”) may Transfer all or any portion of their Company Shares to a Third Party Purchaser in compliance with this Section 3.02; provided, however, the SVC Parties may only initiate a Transfer pursuant to this Section 3.02 once in any calendar year.

(b) Prior to Transferring their Company Shares to any Third Party Purchaser, the Electing SVC Parties shall provide the Company with notice (an “**SVC Offer Notice**”) of their desire to Transfer some or all of their Company Shares.

(c) The SVC Offer Notice shall specify the number of Company Shares that the Electing SVC Parties desire to Transfer (such Company Shares, the “**Offered Shares**”) and shall include a valuation (without any reduction for minority interests) of the Offered Shares from a Third Party Valuation Firm (the “**SVC ROFO Price**”), together with reasonable supporting information. Upon request of the Electing SVC Parties, the Company shall provide the Third Party Valuation Firm appointed by the Electing SVC Parties to determine the SVC ROFO Price with such information related to the Offered Shares and the Company as such Third Party Valuation Firm may reasonably request in connection with its determination. Except as provided in Section 3.06(g), the Electing SVC Parties shall bear the costs of such Third Party Valuation Firm.

(d) Upon receipt of the SVC Offer Notice, the Company shall have ten (10) Business Days (the “**Initial ROFO Exercise Period**”) to elect, by delivering notice to the Electing SVC Parties, that the Company will (i) purchase all, but not less than all, of the Offered Shares at the SVC ROFO Price (a “**ROFO Acceptance Notice**”) or (ii) provide the Electing SVC Parties with a valuation of the Offered Shares (without any reduction for minority interests) from an alternative Third Party Valuation Firm (a “**ROFO Alternative Value**”), together with reasonable supporting information, within forty-five (45) days after the end of the Initial ROFO Exercise Period (such notice, a “**ROFO Alternative Value Notice**”). Any ROFO Acceptance Notice shall be binding upon delivery and irrevocable by the Company.

(e) If the Company delivers a ROFO Acceptance Notice during the Initial ROFO Exercise Period, the Electing SVC Parties shall sell, and the Company shall purchase, all, but not less than all, of the Offered Shares at the SVC ROFO Price. If the Company does not deliver a ROFO Acceptance Notice or a ROFO Alternative Value Notice during the Initial ROFO Exercise Period, or if it delivers a ROFO Alternative Value Notice but does not thereafter provide the ROFO Alternative Value when and as required by Section 3.02(f)(i), then the Company shall be deemed to have waived its rights to purchase the Offered Shares under this Section 3.02 with respect to such SVC Offer Notice.

(f) If the Company provides a ROFO Alternative Value Notice during the Initial ROFO Exercise Period, the following provisions shall apply:

i. the ROFO Alternative Value Notice shall specify the Third Party Valuation Firm selected by the Company to provide the ROFO Alternative Value, which Third Party Valuation Firm shall be required to deliver to the Electing SVC Parties and the Company within forty-five (45) days after the end of the Initial ROFO Exercise Period its determination of the ROFO Alternative Value, together with reasonable supporting information. The Company shall bear the costs of the Third Party Valuation Firm appointed by it.

ii. If the ROFO Alternative Value is at least ninety percent (90%) and not more than one hundred and ten percent (110%) of the SVC ROFO Price, then the Company shall have the right, to be exercised within three (3) Business Days of the date of the delivery of the ROFO Alternative Value, to again send a ROFO Acceptance Notice and if the Company sends a ROFO Acceptance Notice, the Company shall purchase, and the Electing SVC Parties shall sell, all, but not less than all, of the Offered Shares to the Company at the average of the SVC ROFO Price and the ROFO Alternative Value.

iii. If the ROFO Alternative Value is greater than one hundred and ten percent (110%) of the SVC ROFO Price or less than ninety percent (90%) of the SVC ROFO Price, then the Company and the Electing SVC Parties shall jointly appoint a Joint Valuation Firm to determine the value of the Offered Shares, which shall be instructed to provide the Electing SVC Parties and the Company with its determination of the value of the Offered Shares (without any reduction for minority interests) (the **“Determined ROFO Price”**), together with reasonable supporting information, within thirty (30) days of its appointment. The Joint Valuation Firm shall be provided with the prior valuations of the Offered Shares obtained by the Electing SVC Parties and the Company, but shall not be obligated to base its determination on such valuations. The Company shall also provide the Joint Valuation Firm such additional information related to the Offered Shares and the Company as the Joint Valuation Firm may reasonably request in connection with its determination. Except as provided in Section 3.06(g), the cost of the Joint Valuation Firm will be borne fifty percent (50%) by the Electing SVC Parties and fifty percent (50%) by the Company or as they may otherwise agree. The Joint Valuation Firm shall act as an expert and not an arbitrator and the decision of the Joint Valuation Firm as to the Determined ROFO Price, absent manifest error, shall be final and non-appealable.

iv. If the Determined ROFO Price is greater than one hundred and ten percent (110%) of the SVC ROFO Price or less than ninety percent (90%) of the SVC ROFO Price, the Electing SVC Parties shall have ten (10) days following delivery of the Determined ROFO Price (the **“Withdrawal Period”**) to provide the Company with notice of their withdrawal of the SVC Offer Notice, in which event, the Electing SVC Parties shall not be permitted to sell the Offered Shares to a Third Party Purchaser without sending a new SVC Offer Notice in accordance with, and otherwise complying with, this Section 3.02. If the SVC Parties do not send notice of their withdrawal of the SVC Offer Notice during the Withdrawal Period, then the Company shall have ten (10) days following the end of the Withdrawal Period (the **“Second ROFO Exercise Period”**) to again deliver a ROFO Acceptance Notice to the Electing SVC Parties and in such event the Electing SVC Parties shall sell, and the Company shall purchase all, but not less than all, of the Offered Shares at the Determined ROFO Price. If the Company does not deliver a ROFO Acceptance Notice during the Second ROFO Exercise Period, it shall be deemed to have

v. waived its rights to purchase the Offered Shares under this Section 3.02 with respect to such SVC Offer Notice.

(g) The closing of the purchase and sale of the Offered Shares to the Company pursuant to this Section 3.02 shall occur on a date that is not later than seventy-five (75) days after the date on which the Company delivers a ROFO Acceptance Notice pursuant to this Section 3.02, or as otherwise agreed in writing by the Electing SVC Parties and the Company. At the closing of the purchase and sale of the Offered Shares to the Company pursuant to this Section 3.02, the Company shall deliver to the Electing SVC Parties the purchase price for the Offered Shares as determined pursuant to this Section 3.02 by wire transfer of immediately available funds and the Electing SVC Parties shall deliver to the Company the certificate(s) representing the Offered Shares, if any, (or an affidavit of loss with respect to such certificate(s)) accompanied by stock powers and all necessary stock transfer taxes paid and stamps affixed, if necessary.

(h) If the Company does not deliver a ROFO Acceptance Notice or a ROFO Alternative Value Notice during the Initial ROFO Exercise Period or a ROFO Acceptance Notice during the Second ROFO Exercise Period, or has otherwise waived or been deemed to have waived its rights to purchase the Offered Shares, the Electing SVC Parties may, during the one hundred and twenty (120) day period immediately following the later of the expiration of the Initial ROFO Exercise Period or the Second ROFO Exercise Period, as applicable (the “**Waived ROFO Transfer Period**”), Transfer all of the Offered Shares to a Third Party Purchaser at a price not less than ninety-eight percent (98%) of the lesser of the SVC ROFO Price, the average of the SVC ROFO Price and the ROFO Alternative Value or the Determined ROFO Price. If the Electing SVC Parties do not Transfer the Offered Shares within the Waived ROFO Transfer Period, the Electing SVC Parties may not Transfer the Offered Shares unless the Electing SVC Parties send a new SVC Offer Notice in accordance with, and otherwise comply with, this Section 3.02.

(i) Each Stockholder shall take all actions as may be reasonably necessary to consummate the Transfer contemplated by this Section 3.02, including entering into agreements and delivering certificates and instruments and consents as may be deemed necessary or appropriate.

(j) During the Waived ROFO Transfer Period, neither the Company nor any Initial Stockholder Party shall engage in any marketing for sale or sale of the Company or any of its Subsidiaries (whether by merger, consolidation or sale of all or substantially all of the assets of the Company or its Subsidiaries) or any Company Shares (including by way of issuance of Company Shares, but other than the Offered Shares on behalf of the Electing SVC Parties) and the Company shall provide the Electing SVC Parties with reasonable assistance and cooperation at the Electing SVC Parties’ expense in connection with their marketing and sale of their Offered Shares.

(k) The Company’s rights under this Section 3.02 to acquire the Offered Shares may be assigned in whole or in part to any Stockholder.

Section 3.03 Drag-along Rights.

(a) **Drag-along Rights.** For so long as the Initial Stockholder Parties own, or hold voting control over, in aggregate at least a majority of the issued and outstanding Company Shares on a fully diluted basis, if such Stockholders (the “**Dragging Stockholders**”) receive a bona fide offer from a Third Party Purchaser to consummate, in one transaction or a series of related transactions, a Change of Control with respect to the Company (a “**Drag-along Sale**”), and if the Dragging Stockholders have delivered a copy of such bona fide offer from such Third Party Purchaser to the Company and each SVC Party and each other Stockholder, then the Dragging Stockholders shall have the right to require that each SVC Party and other Stockholder (each, a “**Drag-along Stockholder**” and the Drag-along Stockholders, the Dragging Stockholders, and any other stockholders of the Company participating in the Drag-along Sale, the “**Drag-along Participating Stockholders**”) participate in such Transfer in the manner set forth in this Section 3.03. Notwithstanding anything to the contrary in this Agreement, but subject to Section 4.04(b), each Dragging Stockholder and each Drag-along Stockholder shall vote in favor of the Transfer and take all actions to approve such transaction and to waive any dissenters, appraisal or other similar rights.

(b) **Exercise.** The Dragging Stockholders shall exercise their rights pursuant to this Section 3.03 by delivering a notice (the “**Drag-along Notice**”) to each Drag-along Stockholder no later than thirty (30) days prior to the closing date of such Drag-along Sale. The Drag-along Notice shall set forth:

- i. the total number of Company Shares to be sold in the Drag-along Sale to the Third Party Purchaser if the Drag-along Sale is structured as a Transfer of Company Shares and the percentage of the outstanding Company Shares represented by such Company Shares;
- ii. the identity of the Third Party Purchaser;
- iii. the proposed date and time of the closing, if known, of the Drag-along Sale;
- iv. the per Company Share purchase price and the other material terms and conditions of the Transfer, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof; and
- v. a copy of any form of agreement proposed to be executed in connection therewith.

(c) **Amount of Company Shares Transferred.** If the Drag-along Sale is structured as a Transfer of Company Shares, then, subject to Section 3.03(d) and Section 3.05, each Drag-along Participating Stockholder shall Transfer the amount of Company Shares equal to the product of (i) the total amount of Company Shares to be sold to the Third Party Purchaser as stated in the Drag-along Notice, and (ii) a fraction (1) the numerator of which is equal to the amount of Company Shares then held by such Drag-along Participating Stockholder, and (2) the denominator of which is equal to the amount of Company Shares then held in aggregate by the Drag-along Participating Stockholders.

(d) **Consideration; Representations.** Subject to the provisions of this Section 3.03(d) and Section 3.05, the consideration to be received by each Drag-along Participating Stockholder in the Drag-along Sale shall be the same form and amount of consideration per Company Share (or, if Third Party Purchaser gives any Drag-along Participating Stockholder an option as to the form and amount of consideration to be received, the same option shall be given to each Drag-along Participating Stockholder) and the terms and conditions of such Transfer shall be the same for all Drag-along Participating Stockholders. However, notwithstanding anything in this Agreement to the contrary, in no event shall any Drag-along Stockholder be required to: (i) accept any consideration in a Drag-along Sale other than cash or freely marketable publicly traded securities; (ii) enter into any non-compete, non-solicitation or similar agreements in connection with such Drag-along Sale; or (iii) make any representations, warranties or indemnities other than with respect to such Drag-along Stockholder's ownership of its Company Shares and its power and right to enter into and consummate such Drag-along Sale; provided, however, that each Drag-along Stockholder may be required to participate in any indemnities with respect to representations related to the Company made to the Third Party Purchaser on a pro rata basis with the other Drag-along Participating Stockholders based on the aggregate consideration received by such Drag-along Participating Stockholder (except with respect to representations and warranties or covenants or indemnities as to any specific Drag-along Participating Stockholder for which only such Drag-along Participating Stockholder shall be responsible), so long as the aggregate indemnification obligations and liability for fraud or intentional misrepresentation on the part of the Company of any Drag-along Stockholder in connection with such Drag-along Sale do not exceed the actual amount of proceeds received by such Drag-along Stockholder in such Drag-along Sale and in no event shall any Drag-along Participating Stockholder be liable to a Third Party Purchaser for any fraud or intentional misrepresentation on the part of any other Drag-along Participating Stockholder.

(e) **Expenses.** The fees and expenses of each Dragging Stockholder incurred in connection with a Drag-along Sale and for the benefit of all Drag-along Participating Stockholders (it being understood that costs incurred by or on behalf of a Dragging Stockholder for its sole benefit will not be considered to be for the benefit of all Drag-along Participating Stockholders), to the extent not paid or reimbursed by the Company or the Third Party Purchaser, shall be shared on a pro rata basis by each Drag-along Participating Stockholder based on the aggregate consideration received by such Drag-along Participating Stockholder in the Drag-along Sale; provided, that no Drag-along Stockholder shall be obligated to make or reimburse any out-of-pocket expenditure prior to the consummation of the Drag-along Sale.

(f) **Cooperation.** Each Stockholder shall take all actions as may be reasonably necessary to consummate the Drag-along Sale, including entering into agreements and delivering certificates, assignments and instruments, in each case, consistent with the agreements being entered into and the certificates, as applicable, being delivered by each Dragging Stockholder and the terms of this Section 3.03.

(g) **Timing of Closing.** The Dragging Stockholders shall have one hundred and eighty (180) days following the date of the Drag-along Notice in which to consummate the Drag-along Sale, on the terms set forth in the Drag-along Notice and the terms of this Section 3.03 (which one hundred and eighty (180) day period may be extended for a reasonable time not to exceed

an additional ninety (90) days to the extent reasonably necessary to obtain any required approvals or consents). If at the end of such period the Dragging Stockholders have not completed the Drag-along Sale, then the Dragging Stockholders may not thereafter effect a Transfer of Company Shares pursuant to this Section 3.03 without again sending a new Drag-along Notice and complying with the provisions of this Section 3.03.

Section 3.04 Tag-along Rights.

(a) **Tag-along Rights.** If at any time one or more Initial Stockholder Parties (the “**Selling Stockholders**”) propose to Transfer any of their Company Shares to a Third Party Purchaser (the “**Proposed Transferee**”), and if such Selling Stockholders cannot or have not elected to exercise the rights of Dragging Stockholders set forth in Section 3.03 in connection with such Transfer (a “**Tag-along Sale**”), then each SVC Party and each other Stockholder (each, a “**Tag-along Stockholder**” and the Selling Stockholders, the Tag-along Stockholders and any other stockholders of the Company participating in such Tag-along Sale, collectively, the “**Tag-along Participating Stockholders**”) shall be permitted to participate in such Tag-along Sale with respect to the Company Shares owned by such Tag-along Stockholder on the terms and conditions set forth in this Section 3.04.

(b) **Notice.** The Selling Stockholders shall deliver to the Company and each Tag-along Stockholder a notice (a “**Sale Notice**”) of the proposed Tag-along Sale no later than twenty (20) Business Days prior to the closing date of such Tag-along Sale. The Sale Notice shall set forth:

- i. the total number of Company Shares the Proposed Transferee has offered to acquire and the percentage of the outstanding Company Shares represented by such Company Shares;
- ii. the number of Company Shares that the Selling Stockholders propose to Transfer in the Tag-along Sale and the percentage of the outstanding Company Shares owned by the Selling Stockholders represented by such Company Shares;
- iii. the identity of the Proposed Transferee;
- iv. the proposed date and time of the closing, if known, of the Tag-along Sale;
- v. the per Company Share purchase price and the other material terms and conditions of the Transfer, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof; and
- vi. a copy of any form of agreement proposed to be executed in connection therewith.

(c) **Exercise.** Each Tag-along Stockholder shall exercise its right to participate in a Tag-along Sale by delivering to the Selling Stockholders a notice (a “**Tag-along Notice**”) stating its election to do so and specifying the number of its Company Shares it desires to Transfer in such Tag-along Sale (up to the maximum number it is permitted to Transfer pursuant to this

Section 3.04) no later than twenty (20) days after receipt of the Sale Notice (the “**Tag-along Period**”). The election by a Tag-along Stockholder set forth in its Tag-along Notice shall be irrevocable except as provided in this Section 3.04(c), and such Tag-along Stockholder shall be bound and obligated, and entitled, to Transfer such Company Shares in the proposed Tag-along Sale on and subject to the terms and conditions set forth in this Section 3.04. Each Tag-along Stockholder shall have the right to Transfer in a Tag-along Sale up to the same percentage of its Company Shares as the percentage of the Company Shares held by the Selling Stockholders being Transferred in such Tag-along Sale. For the avoidance of doubt, if the aggregate number of Company Shares that the Tag-along Participating Stockholders have elected to Transfer in the Tag-along Sale exceeds the number of Company Shares that the Proposed Transferee is willing to acquire, then the number of Company Shares that each Tag-along Participating Stockholder will Transfer in the Tag-along Sale shall be proportionately reduced until the aggregate number of Company Shares that the Tag-along Participating Stockholders will Transfer in such Tag-along Sale equals the number of Company Shares that the Proposed Transferee is willing to acquire; provided, that in no event will the number of Company Shares that the Tag-along Stockholder is permitted to sell in the Tag-along Sale be reduced to less than the same percentage of such Tag-along Stockholder’s Company Shares as the percentage of the Company Shares held by the Selling Stockholders being Transferred in such Tag-along Sale. Notwithstanding the foregoing, if the terms of, or agreements for, a Tag-along Sale materially change from those provided in the Sale Notice or if the percentage of the Company Shares owned by the Selling Stockholders to be Transferred in the Tag-along Sale shall change from the percentage set forth in the Sale Notice, the Selling Stockholders shall deliver to each Tag-along Stockholder (whether or not such Tag-along Stockholder has previously sent a timely Tag-along Notice) an updated Sale Notice reflecting such changes and each Tag-along Stockholder shall have the right, exercisable within ten (10) Business Days, to elect to participate in, change its participation in or withdraw its participation in such Tag-along Sale.

(d) **Transfer.** A Tag-along Stockholder who does not deliver a timely Tag-along Notice in compliance with Section 3.04(c) shall be deemed to have waived its rights to participate in such Transfer and the Selling Stockholders shall (subject to the rights of any other Tag-along Stockholders who have provided a timely Tag-along Notice) thereafter be free to Transfer to the Proposed Transferee its Company Shares at a per Company Share price that is not greater than one hundred and two percent (102%) of the per Company Share price set forth in the Sale Notice and on other terms and conditions which are not materially more favorable in the aggregate to the Selling Stockholders than those set forth in the Sale Notice without any further obligation to the non-accepting Tag-along Stockholders.

(e) **Consideration; Representations.** Subject to the provisions of this Section 3.04(e) and Section 3.05, the consideration to be received by a Tag-along Stockholder in the Tag-along Sale shall be the same form and amount of consideration per Company Share to be received by the Selling Stockholders (or, if the Selling Stockholders are given an option as to the form and amount of consideration to be received, the same option shall be given to each Tag-along Stockholder) and the terms and conditions of such Transfer shall be the same as those upon which each Selling Stockholder Transfers its Company Shares. Each Tag-along Stockholder shall make or provide the same representations, warranties, covenants, indemnities and agreements as each Selling Stockholder makes or provides in connection with the Tag-along Sale

(except that in the case of representations, warranties, covenants, indemnities and agreements pertaining specifically to the Selling Stockholders or any other Tag-along Participating Stockholder, a Tag-along Stockholder shall only make the comparable representations, warranties, covenants, indemnities and agreements pertaining specifically to itself); provided, that (i) the Selling Stockholders shall use commercially reasonable efforts to cause all representations, warranties, covenants and indemnities to be made by each Tag-along Participating Stockholder to be several and not joint obligations of the Tag-along Participating Stockholders and (ii) unless otherwise agreed by each Tag-along Stockholder, any indemnification obligation in respect of breaches of representations, warranties and covenants (other than those that pertain to an individual Tag-along Participating Stockholder, which shall be the sole obligation of such Tag-along Participating Stockholder) shall be borne on a pro rata basis by each Tag-along Participating Stockholder based on the aggregate consideration received by such Tag-along Participating Stockholder in such Tag-along Sale; provided, that in no event shall (x) the amount of the indemnification obligation and liability for fraud or intentional misrepresentation on the part of the Company of a Tag-along Stockholder exceed the aggregate proceeds received by such Tag-along Stockholder in such Tag-along Sale; (y) any Tag-along Stockholder be required to enter into any non-compete, non-solicitation or similar agreements in connection with such Tag-along Sale and (z) in no event shall any Tag-along Stockholder be liable for any fraud or intentional misrepresentation by any other stockholder of the Company.

(f) **Expenses.** The fees and expenses of the Selling Stockholders incurred in connection with a Tag-along Sale and for the benefit of all Tag-along Participating Stockholders (it being understood that costs incurred by or on behalf of the Selling Stockholders for their sole benefit will not be considered to be for the benefit of all Tag-along Participating Stockholders), to the extent not paid or reimbursed by the Company or the Proposed Transferee, shall be shared by each Tag-along Participating Stockholder on a *pro rata* basis, based on the aggregate consideration received by such Tag-along Participating Stockholder; provided, that no Tag-along Stockholder shall be obligated to make or reimburse any out-of-pocket expenditure prior to the consummation of the Tag-along Sale.

(g) **Cooperation.** Each Tag-along Stockholder shall take all actions as may be reasonably necessary to consummate the Tag-along Sale, including entering into agreements and delivering certificates, assignments, and instruments, in each case consistent with the agreements being entered into and the certificates, as applicable, being delivered by the Selling Stockholders and the terms of this Section 3.04.

(h) **Timing of Closing.** The Selling Stockholders shall have ninety (90) days following the expiration of the Tag-along Period in which to consummate such Tag-along Sale to the Proposed Transferee, on and subject to the terms and conditions set forth in the Sale Notice and this Section 3.04 (which ninety (90) day period may be extended for a reasonable time not to exceed an additional ninety (90) days to the extent reasonably necessary to obtain any required approvals and consents). If at the end of such period the Selling Stockholders have not completed such Transfer, then the Selling Stockholders may not thereafter effect a Transfer of Company Shares subject to this Section 3.04 without again fully complying with the provisions of this Section 3.04.

Section 3.05 Multiple Classes of Shares. If at any time the Company has more than one class of Company Shares which may impact the application of the provisions of Section 3.03 or Section 3.04 in connection with a Drag-along Sale or a Tag-along Sale, respectively, including in connection with the consideration to be paid by the Third Party Purchaser for any class of Company Shares, the Directors and the Drag-along Participating Stockholders and Tag-along Participating Stockholders shall use reasonable best efforts to cooperate to apply Section 3.03 or Section 3.04, as applicable, in good faith in a reasonable and equitable manner in consideration of the capital structure of the Company, in order to carry out the intent of such provisions; provided, that there shall be no minority or other similar discount for less than a controlling interest or for nonvoting Company Shares, and no premium for voting Company Shares or a controlling interest, in the Company.

Section 3.06 Call Rights.

(a.) Subject to Section 3.06(g), the Company shall have the right (a “**Call Right**”), exercised by notice (the “**Call Notice**”) given to the SVC Parties at any time prior to the one year anniversary of a Termination Event, to purchase all, but not less than all, of the Company Shares then owned by the SVC Parties (the “**Call Shares**”). The Call Notice shall include a valuation (without any reduction for minority interests) of the Call Shares as of the date of the Termination Event from a Third Party Valuation Firm (the “**Call Price**”), together with reasonable supporting information.

(b.) Upon receipt of the Call Notice, the SVC Parties shall have ten (10) Business Days (the “**Call Exercise Period**”), to elect, by delivering notice to the Company, that the SVC Parties will (i) sell the Call Shares at the Call Price (the “**Call Acceptance Notice**”) or (ii) provide the Company with a valuation of the Call Shares (without any reduction for minority interests) as of the date of the Termination Event from an alternate Third Party Valuation Firm (a “**Call Alternative Value**”), together with reasonable supporting information, within thirty (30) days after the end of the Call Exercise Period (such notice, a “**Call Alternative Value Notice**”).

(c.) If the SVC Parties provide a Call Acceptance Notice during the Call Exercise Period, the SVC Parties shall sell, and the Company shall purchase, all, but not less than all, of the Call Shares at the Call Price. If the SVC Parties fail to provide a Call Acceptance Notice or a Call Alternative Value Notice during the Call Exercise Period, or if they deliver a Call Alternative Value Notice but do not thereafter provide the Call Alternative Value when and as required by Section 3.06(d)(i), then they will be deemed to have delivered a Call Acceptance Notice.

(d.) If the SVC Parties provide a Call Alternative Value Notice during the Call Exercise Period, the following provisions will apply:

i. The Call Alternative Value Notice shall specify the Third Party Valuation Firm (the “**SVC Valuation Firm**”) selected by the SVC Parties to provide the Call Alternative Value, which Third Party Valuation Firm shall be required to deliver to the SVC Parties and the Company within thirty (30) days after the end of the Call Exercise Period its determination of the Call Alternative Value, together with reasonable supporting information. The Company shall

provide the SVC Valuation Firm such additional information related to the Call Shares and the Company as the SVC Valuation Firm may reasonably request in connection with its determination. The SVC Parties shall bear the costs of the SVC Valuation Firm.

ii. If the Call Alternative Value is at least ninety percent (90%) and not more than one hundred and ten percent (110%) of the Call Price, then the SVC Parties shall be deemed to have delivered a Call Acceptance Notice and the SVC Parties shall sell, and the Company shall purchase, all, but not less than all, of the Call Shares at the average of the Call Price and the Call Alternative Value.

iii. If the Call Alternative Value is less than ninety percent (90%) or greater than one hundred and ten percent (110%) of the Call Price, then the Company and the SVC Parties shall jointly appoint a Joint Valuation Firm to determine the value of the Call Shares, which shall be instructed to provide the SVC Parties and the Company with its determination of the value of the Call Shares (without any reduction for minority interests) as of the date of the Termination Event (the “**Determined Call Price**”), together with reasonable supporting information, within thirty (30) days of its appointment. The Joint Valuation Firm shall be provided with the prior valuations of the Call Shares obtained by the SVC Parties and the Company, but shall not be obligated to base its determination on such valuations. The Company shall also provide the Joint Valuation Firm such additional information related to the Call Shares and the Company as the Joint Valuation Firm may reasonably request in connection with its determination. The cost of the Joint Valuation Firm will be borne fifty percent (50%) by the SVC Parties and fifty percent (50%) by the Company or as they may otherwise agree. The Joint Valuation Firm shall act as an expert and not an arbitrator and the decision of the Joint Valuation Firm as to the Determined Call Price, absent manifest error, shall be final and non-appealable. Upon delivery of the Determined Call Price, the Company shall purchase, and the SVC Parties shall sell, all, but not less than all, of the Call Shares at the Determined Call Price, subject to Section 3.06(d)(iv).

iv. If the Determined Call Price is more than one hundred and ten percent (110%) of the Call Price, the Company shall have ten (10) days following delivery of the Determined Call Price (the “**Call Withdrawal Period**”) to withdraw the Call Notice by notice given to the SVC Parties; provided, that the Company shall reimburse the Electing SVC Parties for the costs of the SVC Valuation Firm and Joint Valuation Firm incurred by them in connection with any ROFO Process that was terminated as provided in Section 3.06(g)(iii). If the Company does not withdraw the Call Notice in such ten (10) day period, then the Company shall purchase, and the SVC Parties shall sell, all, but not less than all, of the Call Shares at the Determined Call Price.

(e.) The closing of the purchase and sale of the Call Shares pursuant to this Section 3.06 shall occur on a date that is not later than ninety (90) days after the purchase price for the Call Shares has been finally determined pursuant to this Section 3.06 or as otherwise agreed in writing by the SVC Parties and the Company. At the closing of the purchase and sale of the Call Shares to the Company pursuant to this Section 3.06, the Company shall deliver to the SVC Parties the purchase price for the Call Shares as determined pursuant to this Section 3.06 by wire transfer of immediately available funds and the SVC Parties shall deliver to the Company the

certificate(s) representing the Call Shares, if any, (or an affidavit of loss with respect to such certificates) accompanied by stock powers and all necessary stock transfer taxes paid and stamps affixed, if necessary.

(f.) If the Company withdraws the Call Notice in accordance with Section 3.06(d)(iv), the SVC Parties may during the one hundred and twenty (120) day period immediately following the date that they receive the notice from the Company that it is withdrawing the Call Notice (the “**Waived Call Transfer Period**”), Transfer all of the Call Shares to any Third Party Purchaser at a price not less than ninety eight percent (98%) of the lesser of the Call Price, the average of the Call Price and the Call Alternative Value or the Determined Call Price and the provisions of Section 3.02(i) and Section 3.02(j) shall apply *mutatis mutandis* during the Waived Call Transfer Period.

(g.) Notwithstanding anything in this Agreement to the contrary, but subject to Section 4.04(b), (i) the Company may not exercise the Call Right at any time during the pendency of a Drag-along Sale, a Tag-along Sale or a transaction which is reasonably likely to result in a Change of Control; (ii) if a Termination Event has occurred, the SVC Parties may not thereafter send an SVC Offer Notice until a date that is not less than ninety (90) days following the date of the Termination Event or after such ninety (90) day period if the Company has then delivered a Call Notice pursuant to this Section 3.06 unless and until such Call Notice is withdrawn pursuant to Section 3.06(d)(iv); (iii) if as of the date a Termination Event occurs, the process with respect to an outstanding SVC Offer Notice is then pending pursuant to Section 3.02 (a “**ROFO Process**”), then (A) the ROFO Process shall be suspended for ninety (90) days following the Termination Event, and terminated if the Company sends a Call Notice within such ninety (90) day period; (B) if the Company fails to send a Call Notice in such ninety (90) day period, then as of the ninety-first (91st) day following the Termination Event, at the Electing SVC Parties’ option, the ROFO Process shall resume with any applicable time periods extended to reflect such suspension; and (C) if the Company sends a Call Notice within such ninety (90) period following the Termination Event and thereafter withdraws the Call Notice in accordance with Section 3.06(d)(iv), the SVC Parties shall have the right following such withdrawal to send another SVC Offer Notice to the Company even if the SVC Parties have previously sent an SVC Offer Notice in that calendar year; and (iv) if a ROFO Process is reinstated pursuant to clause (iii) of this Section 3.06(g) or the SVC Parties send an SVC Offer Notice permitted by clause (ii) of this Section 3.06(g), the Company shall not thereafter have the right to send a Call Notice unless and until the applicable ROFO Process has been completed in accordance with Section 3.02 and the Call Right will only be exercisable with respect to the remaining Company Shares owned by the SVC Parties after the ROFO Process has been completed. For the avoidance of doubt, nothing in this Section 3.06 limits the right of the SVC Parties to Transfer any or all of their Call Shares at any time pursuant to Section 3.03 or Section 3.04.

(h.) The Company may assign the Call Right in whole or in part to any Stockholder.

Section 3.07 Put Rights.

(a) At any time that a Put Event then exists, each REIT Party shall have the right (a “**Put Right**”) exercised by notice to the Company (the “**Put Notice**”) to require the Company to

purchase from such REIT Party (the “**Electing Put Party**”), such number of the Company Shares owned by such REIT Party as is necessary to cause the Company Shares owned by such REIT Party to not exceed the Company Shares that such REIT Party may own pursuant to the limit in Section 4.04(b) (such number of Company Shares to be purchased, the “**Put Shares**”) and shall include a valuation (without any reduction for minority interests) of the Put Shares as of the date of the Put Notice from a Third Party Valuation Firm (the “**Put Price**”), together with reasonable supporting information. Upon request of the Electing Put Party, the Company shall provide the Third Party Valuation Firm appointed by the Electing Put Party to determine the Put Price with such information related to the Put Shares and the Company as such Third Party Valuation Firm may reasonably request in connection with its determination. The Electing Put Party shall bear the costs of such Third Party Valuation Firm.

(b) Upon receipt of the Put Notice, the Company shall within three (3) Business Days purchase all of the Put Shares at the Put Price, subject to the remaining provisions of this Section 3.07.

(c) Without limiting the obligation of the Company to purchase the Put Shares pursuant to Section 3.07(b), the Company shall have ten (10) Business Days following receipt of the Put Notice (the “**Put Exercise Period**”), to elect, by delivering notice to the Electing Put Party, that the Company will provide the Electing Put Party with a valuation of the Put Shares (without any reduction for minority interests) as of the date of the Put Notice from an alternate Third Party Valuation Firm (a “**Put Alternative Value**”), together with reasonable supporting information, within thirty (30) days after the end of the Put Exercise Period (such notice, a “**Put Alternative Value Notice**”).

(d) If the Company provides a Put Alternative Value Notice during the Put Exercise Period, the following provisions will apply:

i. The Put Alternative Value Notice shall specify the Third Party Valuation Firm (the “**Company Put Valuation Firm**”) selected by the Company to provide the Put Alternative Value, which Third Party Valuation Firm shall be required to deliver to the Electing Put Party and the Company within thirty (30) days after the end of the Put Exercise Period its determination of the Put Alternative Value, together with reasonable supporting information. The Company shall provide the Company Put Valuation Firm such additional information related to the Put Shares and the Company as the Company Put Valuation Firm may reasonably request in connection with its determination. The Company shall bear the costs of the Company Put Valuation Firm.

ii. If the Put Alternative Value is at least ninety percent (90%) and not more than one hundred and ten percent (110%) of the Put Price, then the purchase price for the Put Shares shall be adjusted to the average of the Put Price and the Put Alternative Value.

iii. If the Put Alternative Value is less than ninety percent (90%) or greater than one hundred and ten percent (110%) of the Put Price, then the Company and the Electing Put Party shall jointly appoint a Joint Valuation Firm to determine the value of the Put Shares, which shall be instructed to provide the Electing Put Party and the Company with its

determination of the value of the Put Shares (without any reduction for minority interests) as of the date of the Put Notice (the “**Determined Put Price**”), together with reasonable supporting information, within thirty (30) days of its appointment. The Joint Valuation Firm shall be provided with the prior valuations of the Put Shares obtained by the Electing Put Party and the Company, but shall not be obligated to base its determination on such valuations. The Company shall also provide the Joint Valuation Firm such additional information related to the Put Shares and the Company as the Joint Valuation Firm may reasonably request in connection with its determination. The cost of the Joint Valuation Firm will be borne fifty percent (50%) by the Electing Put Party and fifty percent (50%) by the Company or as they may otherwise agree. The Joint Valuation Firm shall act as an expert and not an arbitrator and the decision of the Joint Valuation Firm as to the Determined Put Price, absent manifest error, shall be final and non-appealable. Upon delivery of the Determined Put Price, the purchase price for the Put Shares shall be adjusted to the Determined Put Price.

(e) If the final purchase price determined for the Put Shares pursuant to this Section 3.07 (the “**Final Price**”) is greater than the Put Price, the Company shall promptly, and in any event within ten (10) Business Days, pay to the Electing Put Party the difference between the Put Price and the Final Price by wire transfer of immediately available funds. If the Final Price is less than the Put Price, the Electing Put Party shall promptly, and in any event within ten (10) Business Days, pay to the Company the difference between the Final Price and the Put Price by wire transfer of immediately available funds.

(f) At the closing of the purchase and sale of the Put Shares pursuant to this Section 3.07, the Company shall deliver to the Electing Put Party the purchase price for the Put Shares as determined pursuant to this Section 3.07 by wire transfer of immediately available funds and the Electing Put Party shall deliver to the Company the certificate(s) representing the Put Shares, if any, (or an affidavit of loss with respect to such certificates) accompanied by stock powers and all necessary stock transfer taxes paid and stamps affixed, if necessary.

(g) For the avoidance of doubt, the rights of the REIT Parties under this Section 3.07 are in addition to any other rights or remedies of the REIT Parties at equity or under Applicable Law as a result of the occurrence of a Put Event.

(h) The Company may assign its right (but not its obligation) to purchase the Put Shares, in whole or in part, to any Stockholder.

Article III

OTHER ACTIVITIES; RELATED PARTY TRANSACTIONS; CONFIDENTIALITY; PRE-EMPTIVE RIGHTS; REIT COMPLIANCE

Section 102 **Other Business Activities.** Each Stockholder may engage independently or with others in other business ventures of every nature and description including the ownership, operation, management, syndication and development of a business which is competitive with the Company or any of its Subsidiaries or their respective businesses, and neither the Stockholders nor the Company or its Subsidiaries shall have any rights in and to such independent ventures or the income or profits derived therefrom.

Section 4.02 Confidentiality.

(a) **Confidentiality.** Each SVC Party shall use commercially reasonable efforts to keep confidential any information (including any budgets, business plans and analyses) concerning the Company or its Subsidiaries, including their assets, business, operations, financial condition or prospects (“**Information**”) received by it solely in its capacity as a Stockholder; provided, that nothing herein shall prevent such SVC Party from disclosing such Information: (i) upon the order of any court or administrative agency or the request or demand of any regulatory agency or authority having jurisdiction over such Stockholder; (ii) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests; (iii) as may be appropriate or required under Applicable Law, including the rules and regulations of the U.S. Securities and Exchange Commission, The Nasdaq Stock Market LLC or the Financial Industry Regulatory Authority Inc.; (iv) subject to the provisions of this Section 4.02, to those Persons who have a need to know such Information in connection with the conduct of such SVC Party’s business, including its officers, trustees, directors, attorneys, accountants, and other representatives and agents; (v) in connection with any Proceeding based upon or in connection with the subject matter of this Agreement or the transactions contemplated hereby; (vi) to any other Stockholder; or (vii) to any potential Third Party Purchaser in connection with a proposed Transfer of Company Shares by such SVC Party as long as such Third Party Purchaser agrees to be bound by the provisions of this Section 4.02 as if an SVC Party; provided, that in the case of clauses (i) or (ii) of this Section 4.02 such SVC Party provides prior notice to the Company of the proposed disclosure as far in advance of such disclosure as practicable and uses reasonable efforts to insure that any Information so disclosed is accorded confidential treatment to the extent requested by the Company at the Company’s expense.

(b) **Exceptions.** The restrictions of Section 4.02(a) shall not apply to Information that: (i) is or becomes generally available to the public other than as a result of a disclosure by an SVC Party in violation of this Agreement; (ii) is or becomes available to an SVC Party on a nonconfidential basis prior to its disclosure to the receiving Person; (iii) is or has been independently developed or conceived by an SVC Party without use of any Information; or (iv) becomes available to the receiving Person on a nonconfidential basis from a source other than an SVC Party; provided, that such source is not known by the receiving Person to be bound by a confidentiality agreement with the Company or such Subsidiary.

Section 4.03 Certain Pre-emptive Rights for Additional Equity.

(a.) **Issuance of Additional Company Shares.** The Company hereby grants to each Stockholder (each, a “**Pre-emptive Stockholder**”) the right to purchase a pro rata portion of any Company Shares (other than Excluded Shares) proposed to be issued or sold after the date hereof by the Company to any Person (“**Additional Company Shares**”). The Company shall not permit any Subsidiary to not be a wholly-owned Subsidiary of the Company, except as a result of the issuance or sale by such Subsidiary of Excluded Shares.

(b.) **Additional Issuance Notices.** If the Company desires to issue Additional Company Shares, the Company shall give notice (an “**Issuance Notice**”) of the proposed issuance or sale to each Pre-emptive Stockholder within seven (7) days following any meeting of

the Directors at which any such issuance or sale is approved. The Issuance Notice shall be accompanied by a written offer to purchase such Additional Company Shares from each prospective purchaser of such Additional Company Shares (each, a “**Pre-emptive Purchaser**”) and shall set forth the material terms and conditions of the proposed issuance or sale, including:

- i. The identity of each Pre-emptive Purchaser, if known, and the aggregate amount and a description of the Additional Company Shares proposed to be issued and the percentage of the Company Shares that such issuance would represent;
- ii. the proposed issuance date, which subject to Section 4.03(g), shall be at least thirty (30) days from the date of the Issuance Notice;
- iii. the proposed purchase price per Company Share of the Additional Company Shares and the form of such purchase price if other than cash; and
- iv. if the consideration to be paid by any Pre-emptive Purchaser includes non-cash consideration, the Directors’ good faith determination of the fair market value thereof.

The Issuance Notice shall also be accompanied by a statement of the Company Shares ownership of each stockholder of the Company and a calculation in reasonable detail as to each Pre-emptive Stockholder’s pro rata share of the Additional Company Shares.

(c.) **Exercise of Pre-emptive Rights.** Each Pre-emptive Stockholder shall for a period of twenty (20) days following the receipt of an Issuance Notice (the “**Pre-emptive Exercise Period**”) have the right to elect irrevocably to purchase all or any portion of its pro rata share of the Additional Company Shares, at the purchase price set forth in the Issuance Notice, by delivering notice to the Company (a “**Pre-emptive Acceptance Notice**”) specifying the number of Additional Company Shares it desires to purchase. The delivery of a Pre-emptive Acceptance Notice by a Pre-emptive Stockholder shall be a binding and irrevocable subscription by such Pre-emptive Stockholder for the number of Additional Company Shares described in its Pre-emptive Acceptance Notice in accordance with the terms of this Section 4.03. The failure of a Pre-emptive Stockholder to deliver an Acceptance Notice by the end of the Pre-emptive Exercise Period shall constitute a waiver of its rights under this Section 4.03 with respect to the purchase of such Additional Company Shares, but shall not affect its rights with respect to any future issuances or sales of Additional Company Shares.

(d.) **Over-allotment.** No later than seven (7) days following the expiration of the Pre-emptive Exercise Period, the Company shall notify each Pre-emptive Stockholder in writing of the number of Additional Company Shares that each Pre-emptive Stockholder has agreed to purchase (including, for the avoidance of doubt, where such number is zero) (the “**Over-allotment Notice**”). Each Pre-emptive Stockholder exercising its rights to purchase its pro rata share of the Additional Company Shares in full (an “**Exercising Pre-emptive Stockholder**”) shall have a right of over-allotment such that if any other Pre-emptive Stockholder has failed to exercise its right under this Section 4.03, or any other stockholder of the Company having pre-emptive rights to purchase Company Shares in such transaction has failed, to purchase its pro rata share of the Additional Company Shares in full (each, a “**Non-Exercising Pre-emptive Stockholder**”), such Exercising Pre-emptive Stockholder may purchase its pro rata share

(computed on the basis of the Exercising Pre-emptive Stockholders and other stockholders of the Company who choose to purchase in the over-allotment in proportion to their *pro rata* share of the Additional Company Shares, and otherwise so that one hundred percent (100%) of the over-allotment may be subscribed for and purchased by the Exercising Pre-emptive Stockholders and such other stockholders) of such Non-Exercising Pre-emptive Stockholders' unsubscribed for allotment, by giving notice to the Company within ten (10) Business Days of receipt of the Over-allotment Notice (the "**Over-allotment Exercise Period**").

(e.) **Sale of Additional Shares.** Any Additional Company Shares not subscribed for by a Pre-emptive Stockholder pursuant to Section 4.03(c) and Section 4.03(d) may be sold by the Company following the expiration of the Pre-emptive Exercise Period and, if applicable, the Over-allotment Exercise Period, to the Pre-emptive Purchasers on terms no less favorable to the Company than those set forth in the Issuance Notice and, for the avoidance of doubt, at a price at least equal to or higher than the purchase price described in the Issuance Notice; provided, such sale is completed no later than sixty (60) days following the expiration of the Pre-emptive Exercise Period and, if applicable, the Over-allotment Exercise Period (subject to the extension of such sixty (60) day period for a reasonable time not to exceed an additional sixty (60) days to the extent reasonably necessary to obtain any third party approvals). If the Company has not sold all of the remaining Additional Company Shares to the Pre-emptive Purchasers by such date, the Company shall not thereafter issue or sell any such Additional Company Shares without first again offering such Additional Company Shares to the Pre-emptive Stockholders in accordance with the procedures set forth in this Section 4.03 and no Pre-emptive Stockholder shall be obligated to complete the purchase of the Additional Company Shares that it subscribed for pursuant to Section 4.03(c) and Section 4.03(d).

(f.) **Additional Company Shares Sale Closing.** Except as provided in Section 4.03(g), the closing of any purchase by any Pre-emptive Stockholder shall be consummated substantially contemporaneously with the consummation of the sale to the Pre-emptive Purchasers. The Company shall deliver the Additional Company Shares to be purchased by a Pre-emptive Stockholder in accordance with this Section 4.03 free and clear of any liens (other than those arising hereunder and those attributable to the actions of the purchasers thereof), and the Company shall represent and warrant to such Pre-emptive Stockholder that such Additional Company Shares shall be, upon issuance thereof to such Pre-emptive Stockholder and after payment therefor, duly authorized, validly issued, fully paid and non-assessable. The Company, in the discretion of its Directors, may deliver to each purchasing Pre-emptive Stockholder certificates evidencing the Additional Company Shares. Each purchasing Pre-emptive Stockholder shall deliver to the Company the purchase price for the Additional Company Shares purchased by it by wire transfer of immediately available funds. Each party to the purchase and sale of Additional Company Shares pursuant to this Section 4.03 shall take all such other actions as may be reasonably necessary to consummate the purchase and sale including, without limitation, entering into such additional agreements as may be necessary or appropriate. Notwithstanding anything to the contrary contained in this Agreement, the Directors in their discretion may at any time prior to the closing of the issuance and sale of any Additional Company Shares, upon five (5) Business Days' notice to the Pre-emptive Stockholders, cancel the issuance and sale of such Additional Company Shares in their entirety, in which event the Company shall not thereafter issue any Additional Company Shares without first again offering

such Additional Company Shares to the Pre-emptive Stockholders in accordance with the procedures set forth in this Section 4.03.

(g.) **Delay.** Notwithstanding anything to the contrary set forth in this Section 4.03, if approved by the Directors, the Company may, in lieu of concurrently offering any Additional Company Shares to all Stockholders, initially offer, sell and issue Additional Company Shares to only certain Stockholders so long as promptly, but in any event, within five (5) Business Days thereafter, the Company provides an Issue Notice (which Issue Notice shall include the material details of the prior issuance of Additional Company Shares pursuant to this Section 4.03) to each Pre-emptive Stockholder and complies with the provisions of this Section 4.03(g) with respect to all Pre-emptive Stockholders by offering to such Pre-emptive Stockholders their share of such Additional Company Shares (as otherwise determined pursuant to Section 4.03(a)) prior to any sales and issuances permitted by this Section 4.03(g); provided, that (i) prior to the Company complying with the provisions of this Section 4.03(g), no Additional Company Shares issued pursuant to this Section 4.03(g) shall be entitled to vote on any matter presented to the stockholders of the Company and the Company shall not declare or pay any dividends or other distributions with respect to the Additional Company Shares issued to the Stockholders pursuant to this Section 4.03(g) and (ii) in no event shall any Pre-emptive Stockholder be required to acquire any Additional Company Shares from any other Stockholder in connection with its exercise of its rights under this Section 4.03.

Section 4.04 REIT Compliance.

(c) **Adverse Regulatory Event.** In the event of an Adverse Regulatory Event arising from or in connection with this Agreement or a REIT Party's ownership of Company Shares, the Company and the Stockholders shall work together in good faith to eliminate the impact of such Adverse Regulatory Event, including entering into such amendments to this Agreement as may be necessary or appropriate or to permit such REIT Party to effect the Transfer of its Company Shares. For purposes of this Agreement, the term "**Adverse Regulatory Event**" means any time that an Applicable Law imposes upon a REIT Party (or could impose upon a REIT Party in its reasonable opinion) any material threat to such REIT Party's or any of its Affiliates' status as a "real estate investment trust" under the Code.

(d) **Ownership of Company Shares.** Notwithstanding anything in this Agreement to the contrary, neither the Company nor any Stockholder shall have any authority to take, and none shall take, any action which shall cause any REIT Party to own (directly, indirectly, or constructively) at any time more than thirty-four percent (34%) in aggregate of the vote or value of the then outstanding Company Shares (as determined under each of Sections 856(d)(3) (inclusive of Section 856(d)(5)), 856(d)(9)(F), and 856(l)(2) of the Code).

Article IV

FINANCIAL INFORMATION; ACCESS RIGHTS

Section 5.01 Financial Information. In addition to, and without limiting any rights that the SVC Parties may have with respect to the inspection of the books and records of the

Company under Applicable Law, the Company shall furnish to each SVC Party, the following information:

(a) as soon as available, and in any event within forty-five (45) days following the end of each Fiscal Year, the audited consolidated balance sheet of the Company and its Subsidiaries as at the end of each such Fiscal Year and the audited consolidated statements of income, cash flows and changes in stockholders' equity of the Company and its Subsidiaries for such Fiscal Year, accompanied by the certification of independent certified public accountants of recognized national standing selected by the Directors, to the effect that, except as set forth therein, such financial statements have been prepared in accordance with GAAP, applied on a basis consistent with prior years and fairly present in all material respects the consolidated financial condition of the Company and its Subsidiaries as of the dates thereof and the results of its operations and changes in its cash flows and stockholders' equity for the periods covered thereby;

(b) as soon as available, and in any event within thirty (30) days following the end of each fiscal quarter, the unaudited consolidated balance sheet of the Company and its Subsidiaries at the end of such quarter and the unaudited consolidated statements of income, cash flows and changes in stockholders' equity of the Company and its Subsidiaries for such quarter, all in reasonable detail and all prepared in accordance with GAAP, consistently applied and certified by the Company's Chief Financial Officer;

(c) draft financial statements related to the Fiscal Year and each fiscal quarter shall be provided within thirty (30) days and twenty (20) days, respectively, following the end of the period in question; and

(d) to the extent the Company or any of its Subsidiaries is required by Applicable Law or pursuant to the terms of any outstanding indebtedness of the Company to prepare such reports, any annual reports, quarterly reports and other periodic reports actually prepared by the Company or Subsidiary promptly following filing or submission thereof.

Section 5.02 Access Rights.

(a.) The Company shall: (i) afford to the SVC Parties and their officers, trustees, directors, employees, attorneys, accountants and other representatives and agents, during normal business hours and upon reasonable notice, reasonable access to its officers, employees, auditors, and books and records; and (ii) afford such SVC Parties and other Persons the opportunity to consult with its officers and senior management from time to time regarding the Company's affairs, finances and accounts as the SVC Parties, or such other Persons on behalf of the SVC Parties, may reasonably request upon reasonable notice, including presenting to such SVC Parties and such other Persons customary management presentations regarding the Company's affairs, finances, accounts and related matters at the request of SVC.

(b.) The rights set forth in Section 5.02(a) above shall not and are not intended to limit any rights which the SVC Parties may have to inspect or audit the books and records of the Company, or to inspect its properties or discuss its affairs, finances and accounts, under

Applicable Law or any other agreement to which SVC or any of its Affiliates on the one hand, and the Company or any of its Affiliates on the other hand, are a party.

(c.) Notwithstanding anything to the contrary herein, the information and access rights provided to the SVC Parties shall be expressly subject to the confidentiality and use restrictions set forth in Section 4.02.

Article V

REPRESENTATIONS AND WARRANTIES

Section 6.01 Representations and Warranties. Each Stockholder and the Company, severally and not jointly, represent and warrant to each other party that:

(a) It has full power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the other agreements and documents contemplated hereby, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all requisite action of such Stockholder or the Company, as applicable. It has duly executed and delivered this Agreement.

(b) This Agreement constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, require no action by or in respect of, or filing with, any Governmental Authority.

(c) The Company and the Initial Stockholders represent and warrant that the execution, delivery and performance by each of them of this Agreement and the consummation of the transactions contemplated hereby do not (i) conflict with or result in any violation or breach of any provision of the Organizational Documents or the governing documents of any of the Company's Subsidiaries or of any Initial Stockholder, (ii) conflict with or result in any violation or breach of any provision of any Applicable Law applicable to them, or (iii) require any consent or other action by any Person under any provision of any material agreement or other instrument to which any of them is a party or is otherwise bound other than those which have been obtained, except, with respect to the foregoing clauses (ii) and (iii), where such conflict, violation, default or failure to obtain consent would not reasonably be expected to have a material adverse effect on the Company or its Subsidiaries, taken as a whole.

(d) SVC represents and warrants that the execution, delivery and performance by it of this Agreement and the consummation of the transactions contemplated hereby do not (i) conflict with or result in any violation or breach of any provision of its governing documents, (ii) conflict with or result in any violation or breach of any provision of any Applicable Law applicable to it, or (iii) require any consent or other action by any Person under any provision of any material agreement or other instrument to which such party is a party or is otherwise bound other than

those which have been obtained, except, with respect to the foregoing clauses (ii) and (iii), where such conflict, violation, default or failure to obtain consent would not reasonably be expected to have a material adverse effect on SVC or its Subsidiaries, taken as a whole.

(e) Except for this Agreement, the Registration Rights Agreement and the Organizational Documents, such party has not entered into or agreed to be bound by any other agreements or arrangements of any kind with any party with respect to the Company Shares, including agreements or arrangements with respect to the acquisition or disposition of the Company Shares or any interest therein or the voting of the Company Shares (whether or not such agreements and arrangements are with the Company or any other stockholder of the Company).

Article VI

TERM AND TERMINATION

Section 7.01 Termination. This Agreement shall terminate upon the earliest of:

- (a) the consummation of a Public Offering resulting in a market value of the Company Common Stock held by public stockholders who are otherwise Third Party Purchasers of at least twenty million (\$20,000,000) dollars;
- (b) the consummation of a Change of Control;
- (c) the date on which the SVC Parties no longer hold any Company Shares;
- (d) the dissolution, liquidation, or winding up of the Company; or
- (e) upon the unanimous written consent of all SVC Parties and the Company.

Section 7.02 Effect of Termination.

(a) The termination of this Agreement shall terminate all further rights and obligations of the Stockholders under this Agreement, except that such termination shall not affect:

- i. the existence of the Company;
 - ii. the obligation of any party to pay any amounts arising on or prior to the date of termination, or as a result of or in connection with such termination;
 - iii. the rights which any Stockholder may have by operation of Applicable Law as a stockholder of the Company; or
 - iv. provisions of this Agreement which by their terms are intended or are stated to survive termination of this Agreement.
- (b) The following provisions shall survive the termination of this Agreement:
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- i. Section 4.02, Section 7.02 and Article VIII; and
- ii. Section 3.07 and Section 4.04, but only so long as a REIT Party owns Company Shares; provided, that the obligations of an Initial Stockholder Party under such Sections shall terminate at such time as such Initial Stockholder Party neither owns or controls any Company Shares.

Article VII

MISCELLANEOUS

Section 8.01 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement or the transactions and matters contemplated by this Agreement shall be paid by the party incurring such costs and expenses.

Section 8.02 Release of Liability; Waiver of Fiduciary Duties. Subject to Section 7.02, if any Stockholder shall Transfer all of the Company Shares held by such Stockholder in compliance with the provisions of this Agreement without retaining any interest therein, then such Stockholder shall cease to be a party to this Agreement in its capacity as a Stockholder and shall be relieved and have no further liability arising hereunder in its capacity as a Stockholder for events occurring from and after the date of such Transfer. To the maximum extent permitted by Applicable Law, each Stockholder and its successors and assigns and, as applicable, its shareholders, stockholders, beneficial interest owners, members, partners, trustees, directors, officers, employees and agents, waives any and all fiduciary duties any Stockholder may now or in the future have to any other Stockholder, in each case in its capacity as a stockholder of the Company, in connection with this Agreement or the transactions and matters contemplated by this Agreement.

Section 8.03 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) when received if mailed by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses set forth on Exhibit A hereto (or at such other address in the United States for a party as shall be specified in a notice given in accordance with this Section 8.03).

Section 8.04 Interpretation. For purposes of this Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. The definitions given for any defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context otherwise requires, references herein: (i) to

Articles, Sections and Exhibits mean the Articles and Sections of, and the Exhibits attached to, this Agreement; (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (iii) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

Section 8.05 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 8.06 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 8.07 Entire Agreement. This Agreement, the Registration Rights Agreement and the Organizational Documents constitute the sole and entire agreement of the parties with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency or conflict between this Agreement and the Organizational Documents, the Stockholders and the Company shall, to the extent permitted by Applicable Law, amend, consent to or waive provisions of each such Organizational Document to comply with the terms of this Agreement. Notwithstanding anything herein to the contrary, the parties acknowledge and agree that neither the Company nor any SVC Party is a party to the Equityholders Agreement or has any obligations or rights under the Equityholders Agreement and that the provisions of this Agreement shall supersede in their entirety any inconsistent provisions contained in the Organizational Documents, including the Equityholders Agreement, as it relates to the Company and the SVC Parties and their rights and obligations hereunder.

Section 8.08 Assignment; Successors. Except as expressly set forth in this Agreement, this Agreement and the rights, interests and obligations of the parties hereunder may not be assigned, transferred or delegated. This Agreement and the rights, interests and obligations of a party hereunder may be assigned, transferred or delegated by the party to a Person who succeeds to all or substantially all the assets of such party, which successor or Person agrees in a writing delivered to the other parties hereto to be subject to and bound by all interests and obligations set forth in this Agreement. This Agreement shall bind and inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns, including Permitted Transferees who acquire Company Shares in accordance with the terms of this Agreement.

Section 8.09 No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and, except as expressly set forth in this Agreement, nothing herein is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.10 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 8.11 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Maryland without giving effect to any choice or conflict of law provision or rule (whether of the State of Maryland or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Maryland.

Section 8.12 Venue. Each party hereto agrees that it shall bring any Proceeding in respect of any claim arising out of or related to this Agreement or the transactions contemplated hereby exclusively in the courts of the State of Maryland and the Federal courts of the United States, in each case, located in the City of Baltimore (the “**Chosen Courts**”). Solely in connection with claims arising under this Agreement or the transactions contemplated hereby, each party hereto irrevocably and unconditionally (i) submits to the exclusive jurisdiction of the Chosen Courts, (ii) agrees not to commence any such Proceeding except in such courts, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such Proceeding in the Chosen Courts, (iv) waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such Proceeding and (v) agrees that service of process upon such party in any such Proceeding shall be effective if notice is given in accordance with Section 8.03. Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by Applicable Law. A final judgment in any such Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. Notwithstanding anything herein to the contrary, if a demand for arbitration of a Dispute is made pursuant to Section 8.13, this Section 8.12 shall not pre-empt resolution of the Dispute pursuant to Section 8.13.

Section 8.13 Dispute Resolution.

(a) **Disputes.** Any disputes, claims or controversies arising out of or relating to this Agreement, the Organizational Documents or the transactions contemplated hereby, including any disputes, claims or controversies brought by or on behalf of a party hereto, a direct or indirect parent of a party, or any holder of equity interests (which, for purposes of this Section 8.13, shall mean any holder of record or any beneficial owner of equity interests, or any former holder of record or beneficial owner of equity interests) of a party, either on its own behalf, on behalf of a party or on behalf of any series or class of equity interests of a party or holders of any equity interests of a party against a party or any of their respective trustees, directors, members, officers, managers (including The RMR Group LLC or its parent and their respective successor), agents or employees, including any disputes, claims or controversies relating to the meaning, interpretation, effect, validity, performance, application or enforcement of this Agreement, including the agreements set forth in this Section 8.13, or the governing documents of a party (all of which are referred to as “**Disputes**”), or relating in any way to such a Dispute or Disputes shall, on the demand of any party to such Dispute or Disputes, be resolved through binding and final arbitration in accordance with the Commercial Arbitration Rules (the “**Rules**”) of the American Arbitration Association (the “**AAA**”) then in effect, except as those Rules may be modified in this Section 8.13. For the avoidance of doubt, and not as a limitation, Disputes are intended to include derivative actions against the trustees, directors, officers or managers of a party and class actions by a holder of equity interests against those Persons and a party. For the avoidance of doubt, a Dispute shall include a Dispute made derivatively on behalf of one party against another party.

(b) **Selection of Arbitrators.** There shall be three (3) arbitrators. If there are only two (2) parties to the Dispute, each party shall select one (1) arbitrator within fifteen (15) days after receipt by respondent of a copy of a demand for arbitration. Such arbitrators may be affiliated or interested persons of such parties. If there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, shall each select, by the vote of a majority of the claimants or the respondents, as the case may be, one (1) arbitrator within fifteen (15) days after receipt of a demand for arbitration. Such arbitrators may be affiliated or interested persons of the claimants or the respondents, as the case may be. If either a claimant (or all claimants) or a respondent (or all respondents) fail(s) to timely select an arbitrator, then the party (or parties) who has selected an arbitrator may request the AAA to provide a list of three (3) proposed arbitrators in accordance with the Rules (each of whom shall be neutral, impartial and unaffiliated with any party) and the party (or parties) that failed to timely appoint an arbitrator shall have ten (10) days from the date the AAA provides such list to select one (1) of the three (3) arbitrators proposed by the AAA. If the party (or parties) fail(s) to select the second (2nd) arbitrator by that time, the party (or parties) who have appointed the first (1st) arbitrator shall then have ten (10) days to select one (1) of the three (3) arbitrators proposed by the AAA to be the second (2nd) arbitrator; and, if they should fail to select the second (2nd) arbitrator by such time, the AAA shall select, within fifteen (15) days thereafter, one (1) of the three (3) arbitrators it had proposed as the second (2nd) arbitrator. The two (2) arbitrators so appointed shall jointly appoint the third (3rd) and presiding arbitrator (who shall be neutral, impartial and unaffiliated with any party) within fifteen (15) days of the appointment of the second (2nd) arbitrator. If the third (3rd) arbitrator has not been appointed within the time limit specified herein, then the AAA shall provide a list of proposed arbitrators in accordance with the Rules, and the arbitrator shall be appointed by the AAA in accordance with a listing, striking and

ranking procedure, with each party having a limited number of strikes, excluding strikes for cause.

(c) **Location of Arbitration.** Any arbitration hearing shall be held in Boston, Massachusetts, unless otherwise agreed by the parties, but the seat of arbitration shall be Maryland.

(d) **Scope of Discovery.** There shall be only limited documentary discovery of documents directly related to the issues in dispute, as may be ordered by the arbitrators. For the avoidance of doubt, it is intended that there shall be no depositions and no other discovery other than limited documentary discovery as described in the preceding sentence.

(e) **Arbitration Award.** In rendering an award or decision (an “**Award**”), the arbitrators shall be required to follow the laws of the State of Maryland, without regard to principles of conflicts of law. Any arbitration proceedings or Award rendered hereunder, and the validity, effect and interpretation of the agreements set forth in this Section 8.13 shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq. An Award shall be in writing and may, but shall not be required to, briefly state the findings of fact and conclusions of the law on which it is based. Any monetary Award shall be made and payable in U.S. dollars free of any tax, deduction or offset. Subject to Section 8.13(f), each party against which an Award assesses a monetary obligation shall pay that obligation on or before the thirtieth (30th) day following the date of such Award or such other date as such Award may provide.

(f) **Costs.** Except to the extent expressly provided by this Agreement or as otherwise agreed by the parties thereto, to the maximum extent permitted by Applicable Law of the State of Maryland, each party involved in a Dispute shall bear its own costs and expenses (including attorneys’ fees), and the arbitrators shall not render an Award that would include shifting of any such costs or expenses (including attorneys’ fees) or, in a derivative case or class action, award any portion of a party’s Award to the claimant or the claimant’s attorneys. Each party (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, respectively) shall bear the costs and expenses of its (or their) selected arbitrator and the parties (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand) shall equally bear the costs and expenses of the third (3rd) appointed arbitrator.

(g) **Appeals.** Notwithstanding any language to the contrary in this Agreement, any Award, including, but not limited to, any interim Award, may be appealed pursuant to the AAA’s Optional Appellate Arbitration Rules (“**Appellate Rules**”). An Award shall not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty (30) days of receipt of an Award by filing a notice of appeal with any AAA office. Following the appeal process, the decision rendered by the appeal tribunal may be entered in any court having jurisdiction thereof. For the avoidance of doubt, and despite any contrary provision of the Appellate Rules, Section 8.13(g) shall apply to any appeal pursuant to this Section 8.13 and the appeal tribunal shall not render an Award that would include shifting of any costs or expenses (including attorneys’ fees) of any party.

(h) **Final Judgment.** Following the expiration of the time for filing the notice of appeal, or the conclusion of the appeal process set forth in Section 8.13(g), an Award shall be final and binding upon the parties thereto and shall be the sole and exclusive remedy between those parties relating to the Dispute, including any claims, counterclaims, issues or accounting presented to the arbitrators. Judgment upon an Award may be entered in any court having jurisdiction. To the fullest extent permitted by law, no application or appeal to any court of competent jurisdiction may be made in connection with any question of law arising in the course of arbitration or with respect to any Award made, except for actions relating to enforcement of the agreements set forth in this Section 8.13 or any arbitral award issued hereunder and except for actions seeking interim or other provisional relief in aid of arbitration proceedings in any court of competent jurisdiction.

(i) **Intended Beneficiaries.** This Section 8.13 is intended to benefit and be enforceable by the parties hereto and their respective shareholders, stockholders, members, beneficial interest owners, direct and indirect parents, trustees, directors, officers, managers (including The RMR Group LLC or its parent and their respective successor), members, agents or employees and their respective successors and assigns and shall be binding on the parties, and such Persons and be in addition to, and not in substitution for, any other rights to indemnification or contribution that such Persons may have by contract or otherwise.

Section 8.14 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Stockholder, the Company and each transferee of Company Shares agrees, at the request of the Company or any Stockholder, to execute and deliver such additional documents, instruments, conveyances and assurances and to take such further actions as may be required to carry out the provisions hereof and give effect to the transactions contemplated hereby.

Section 8.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 8.16 No Liability. NO TRUSTEE, OFFICER, DIRECTOR, SHAREHOLDER, MEMBER, EMPLOYEE OR AGENT OF ANY PARTY SHALL BE HELD TO ANY PERSONAL LIABILITY, JOINTLY OR SEVERALLY, FOR ANY OBLIGATION OF, OR CLAIM AGAINST, SUCH PARTY. ALL PERSONS DEALING WITH SUCH PARTY IN ANY WAY, SHALL LOOK ONLY TO THE ASSETS OF SUCH PARTY FOR THE PAYMENT OF ANY SUM OR THE PERFORMANCE OF ANY OBLIGATION.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by, as applicable, their respective officers thereunto duly authorized.

THE COMPANY:

Sonesta Holdco Corporation

By: /s/ Carlos R. Flores

Carlos R. Flores

President and Chief Executive Officer

SVC:

Service Properties Trust

By: /s/ John G. Murray

John G. Murray

President and Chief Executive Officer

THE INITIAL STOCKHOLDERS:

/s/ Adam D. Portnoy

Adam D. Portnoy

Diane Portnoy 2019 Revocable Trust

By: Diane Portnoy, Trustee

By: /s/ Adam D. Portnoy

Adam D. Portnoy, as her Attorney-In-Fact

[Signature Page to Sonesta Holdco Stockholders Agreement]

Exhibit A

NOTICE ADDRESSES

If to Sonesta Holdco Corporation: Two Newton Place
255 Washington Street, Suite 300
Newton, Massachusetts 02458
Attention: Jennifer B. Clark, Secretary
Email: jclark@rmrgroup.com

with a copy to (which shall not constitute notice): Skadden, Arps, Slate, Meagher & Flom LLP One Rodney Square
Wilmington, Delaware 19899
Attention: Faiz Ahmad
Email: faiz.ahmad@skadden.com

If to Service Properties Trust: Two Newton Place
255 Washington Street, Suite 300
Newton, Massachusetts 02458-1632
Attention: Jennifer B. Clark, Secretary
Email: jclark@rmrgroup.com

If to Adam D. Portnoy: Adam D. Portnoy
198 Commonwealth Avenue
Boston, Massachusetts 02116
Email: aportnoy@rmrgroup.com

If to the Diane Portnoy 2019 Revocable Trust: Diane Portnoy
c/o Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109
Attention: Warren M. Heilbrunner
Email: wheilbrunner@sullivanlaw.com

with a copy to (which shall not constitute notice): Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109
Attention: Lindsey A. Getz
Email: lgetz@sullivanlaw.com

Exhibit B

FORM OF JOINDER AGREEMENT

This JOINDER AGREEMENT (the “**Joinder Agreement**”), dated as of _____, is entered into by _____, [a _____ organized under the laws of _____] / [an individual residing at _____] (the “**New Stockholder**”). All capitalized terms not defined in this Joinder Agreement shall have the meaning ascribed to such terms in that certain Stockholders Agreement dated as of February 27, 2020 by and among the individuals and entities named and listed therein as “**Stockholders**” and Sonesta Holdco Corporation, a Maryland corporation (the “**Company**”), as it may be amended from time to time (the “**Stockholders Agreement**”).

WHEREAS, the New Stockholder desires to acquire Company Shares [in a Transfer from [SVC / an Initial Stockholder]] and in connection therewith become a party to the Stockholders Agreement; and

WHEREAS, the New Stockholder shall become a party to the Stockholders Agreement, and in furtherance of the foregoing, the New Stockholder shall execute and deliver this Joinder Agreement to the Company and each Stockholder.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the New Stockholder hereby agrees as follows:

1. *Agreement to be Bound.* The New Stockholder hereby agrees that, upon execution of this Joinder Agreement, the New Stockholder shall become a party to the Stockholders Agreement as [an SVC Party / Initial Stockholder Party], and shall be fully bound by, subject to, and have all of the benefits and burdens of all of the covenants, terms and conditions of the Stockholders Agreement as [an SVC Party / Initial Stockholder Party] thereunder.
2. *Successors and Assigns.* This Joinder Agreement shall bind and inure to the benefit of and be enforceable by the Company and each Stockholder, and their respective permitted successors, heirs and assigns.
3. *Counterparts.* This Joinder Agreement may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.
4. *Notices.* All notices, demands or other communications to the New Stockholder shall be directed to the respective United States address set forth next to the New Stockholder’s name on the signature page hereto.
5. *Governing Law.* This Joinder Agreement shall be governed by and construed in accordance with the law (other than the law governing conflict of law questions) of the State of Maryland.

6. *Descriptive Headings.* The descriptive headings of this Joinder Agreement are for convenience of reference only and do not constitute a part of this Joinder Agreement.

IN WITNESS WHEREOF, the New Stockholder has executed this Joinder Agreement as of the date first above written.

[_____]

[By: _____]

[Name]

[Title]

Address:

Accepted and agreed to:

THE COMPANY:

Sonesta Holdco Corporation

By:

Name:

Title:

JOINDER AGREEMENT

This JOINDER AGREEMENT (the “**Joinder Agreement**”), dated as of February 28, 2020 is entered into by SVC Holdings, LLC, a limited liability company organized under the laws of Maryland (the “**New Stockholder**”). All capitalized terms not defined in this Joinder Agreement shall have the meaning ascribed to such terms in that certain Stockholders Agreement dated as of February 27, 2020 by and among the individuals and entities named and listed therein as “**Stockholders**” and Sonesta Holdco Corporation, a Maryland corporation (the “**Company**”), as it may be amended from time to time (the “**Stockholders Agreement**”).

WHEREAS, the New Stockholder desires to acquire Company Shares in a Transfer from SVC and in connection therewith become a party to the Stockholders Agreement and that certain Registration Rights Agreement dated as of February 27, 2020 by and among SVC and the Company, as it may be amended from time to time (the “**Registration Rights Agreement**”); and

WHEREAS, the New Stockholder shall become a party to the Stockholders Agreement and the Registration Rights Agreement, and in furtherance of the foregoing, the New Stockholder shall execute and deliver this Joinder Agreement to the Company and each Stockholder.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the New Stockholder hereby agrees as follows:

1. Agreement to be Bound to the Stockholders Agreement. The New Stockholder hereby agrees that, upon execution of this Joinder Agreement, the New Stockholder shall become a party to the Stockholders Agreement as an SVC Party, and shall be fully bound by, subject to, and have all of the benefits and burdens of all of the covenants, terms and conditions of the Stockholders Agreement as an SVC Party thereunder.

2. Agreement to be Bound to the Registration Rights Agreement. The New Stockholder hereby agrees that, upon execution of this Joinder Agreement, the New Stockholder shall become a party to the Registration Rights Agreement as a Party (as defined therein), and shall be fully bound by, subject to, and have all of the benefits and burdens of all of the covenants, terms and conditions of the Registration Rights Agreement as a Party thereunder with respect to the Company Common Shares acquired.

3. Successors and Assigns. This Joinder Agreement shall bind and inure to the benefit of and be enforceable by the Company and each Stockholder, and their respective permitted successors, heirs and assigns.

4. Counterparts. This Joinder Agreement may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

5. Notices. All notices, demands or other communications to the New Stockholder shall be directed to the respective United States address set forth next to the New Stockholder’s name on the signature page hereto.

6. Governing Law. This Joinder Agreement shall be governed by and construed in accordance with the law (other than the law governing conflict of law questions) of the State of Maryland.

7. Descriptive Headings. The descriptive headings of this Joinder Agreement are for convenience of reference only and do not constitute a part of this Joinder Agreement.

[SIGNATURE PAGE FOLLOWS]

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, John G. Murray, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Service Properties Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2020

/s/ John G. Murray

John G. Murray

Managing Trustee, President and Chief Executive Officer

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Brian E. Donley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Service Properties Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2020

/s/ Brian E. Donley

Brian E. Donley

Chief Financial Officer and Treasurer

Certification Pursuant to 18 U.S.C. Sec. 1350

In connection with the filing by Service Properties Trust (the “Company”) of the Quarterly Report on Form 10-Q for the period ended March 31, 2020 (the “Report”), each of the undersigned hereby certifies, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John G. Murray

John G. Murray
Managing Trustee, President and
Chief Executive Officer

/s/ Brian E. Donley

Brian E. Donley
Chief Financial Officer and Treasurer

Date: May 11, 2020

REGISTRATION RIGHTS AGREEMENT

BY AND BETWEEN

SONESTA HOLDCO CORPORATION

a Maryland corporation

AND

SERVICE PROPERTIES TRUST

a Maryland real estate investment trust

Dated as of February 27, 2020

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REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (as amended, supplemented or restated from time to time, this “Agreement”) is entered into as of February 27, 2020 by and between Sonesta Holdco Corporation, a Maryland corporation (the “Company”), and Service Properties Trust, a Maryland real estate investment trust (including its successors and permitted assigns, “SVC”). Company and SVC are each referred to as a “Party” and together as the “Parties”.

RECITALS

WHEREAS, the Parties are entering into this Agreement in connection with the consummation of the transactions contemplated in that certain Transaction Agreement, dated as of the date hereof, by and between the Company and SVC (the “Transaction Agreement”);

WHEREAS, the consummation of the transactions contemplated by the Transaction Agreement on the terms set forth therein is a condition and material inducement to SVC’s entry into this Agreement; and

WHEREAS, SVC has acquired and currently holds shares of common stock, par value \$0.01 per share, of the Company (“Common Shares”);

NOW, THEREFORE, in consideration of the foregoing recitals and of the representations, warranties, covenants and agreements contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

“**AAA**” is defined in Section 6.4(c)(i).

“**Award**” is defined in Section 6.4(c)(v).

“**Agreement**” is defined in the preamble.

“**Block Trade**” means an underwritten registered offering not involving a “roadshow,” commonly known as a “block trade” or a “bought deal”.

“**Business Day**” means a day, other than Saturday, Sunday or other day on which banks located in Boston, Massachusetts or Baltimore, Maryland are authorized or required by Law to close.

“**Chosen Courts**” is defined in Section 6.4(b).

“**Company**” is defined in the preamble.

“**Company Indemnified Parties**” is defined in Section 4.2.

“**Common Shares**” is defined in the recitals.

“**control**” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract, or otherwise.

“**Covered Liabilities**” is defined in Section 4.1.

“**Disputes**” is defined in Section 6.4(c)(i).

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

“**Governmental Entity**” means (a) the United States of America, (b) any other sovereign nation, (c) any state, province, district, territory or other political subdivision of (a) or (b) of this definition, including any county, municipal or other local subdivision of the foregoing, or (d) any entity exercising executive, legislative, judicial, regulatory or administrative functions of government on behalf of (a), (b) or (c) of this definition.

“**Law**” means any law, statute, ordinance, rule, regulation, directive, code or order enacted, issued, promulgated, enforced or entered by any Governmental Entity.

“**Maximum Number of Shares**” is defined in Section 2.1(b).

“**Party**” is defined in the preamble.

“**Person**” means an individual or any corporation, partnership, limited liability company, trust, unincorporated organization, association, joint venture or any other organization or entity, whether or not a legal entity.

“**Piggy-Back Registration**” is defined in Section 2.1.

“**Proceeding**” means any suit, action, proceeding, arbitration, mediation, audit, hearing, inquiry or, to the knowledge of the Person in question, investigation (in each case, whether civil, criminal, administrative, investigative, formal or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Entity.

“**Prospectus**” means a prospectus or prospectus supplement included in a Registration Statement, as amended or supplemented, including all materials incorporated by reference in such prospectus or prospectus supplement.

“**register**,” “**registered**” and “**registration**” refer to a registration effected by preparing and filing a registration statement or similar document under the Securities Act and such registration statement becoming effective.

“**Registration Period**” means the period (a) beginning on the date hereof and (b) ending on the date and time at which SVC (including its successors and permitted assigns) no longer holds any Registrable Securities.

“**Registration Statement**” means any registration statement filed by the Company with the SEC in compliance with the Securities Act for a public offering and sale of Common Shares (other than a registration statement on Form S-4 or Form S-8, or their successors, or any registration statement covering only securities

proposed to be issued in exchange for securities or assets of another entity), as amended or supplemented, including all materials incorporated by reference in such registration statement.

“**Registrable Securities**” mean all of the Common Shares owned by SVC (including any equity securities issued in respect thereof as a result of any stock split, stock dividend, share exchange, merger, consolidation or similar recapitalization); provided, however, that Common Shares shall cease to be Registrable Securities hereunder, as of any date, when: (i) a Registration Statement with respect to the sale of such Registrable Securities shall have become effective under the Securities Act and such Registrable Securities shall have been sold, transferred, disposed of or exchanged in accordance with such Registration Statement; (ii) such Registrable Securities shall have been otherwise sold pursuant to Rule 144 under the Securities Act (or any similar provisions thereunder, but not Rule 144A) and new certificates (or notations in book-entry form) for them not bearing a legend restricting further transfer shall have been delivered by the Company or its transfer agent and subsequent public distribution of them shall not require registration under the Securities Act; (iii) such Registrable Securities are saleable immediately in their entirety without condition or limitation pursuant to Rule 144 under the Securities Act; or (iv) such Registrable Securities shall have ceased to be outstanding.

“**Rules**” is defined in Section 6.4(c)(i).

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities Act**” means the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

“**Shelf Offering**” is defined in Section 3.2.

“**Shelf Registration**” is defined in Section 3.2

“**Stockholders Agreement**” means that certain Stockholders Agreement, dated as of the date hereof, by and among the Company, SVC, Adam D. Portnoy and Diane Portnoy, as Trustee of the Diane Portnoy 2019 Revocable Trust, as in effect from time to time.

“**SVC**” is defined in the preamble.

“**SVC Indemnified Parties**” is defined in Section 4.1.

“**Transaction Agreement**” is defined in the recitals.

“**Underwriter**” means a securities dealer who purchases any Registrable Securities as principal in an underwritten offering.

ARTICLE II

REGISTRATION RIGHTS

Section 2.1 **Piggy-Back Registration.**

(a) **Piggy-Back Rights.** If, at any time during the Registration Period, the Company proposes to file a Registration Statement under the Securities Act with respect to an offering of Common Shares, or securities or other obligations exercisable or exchangeable for, or convertible into, Common Shares, by the Company for its own account or for any other stockholder of the Company for such

stockholder's account, other than a Registration Statement (i) filed in connection with any employee benefit plan, (ii) for an exchange offer or offering of securities solely to the Company's existing stockholders, (iii) for an offering of debt securities convertible into equity securities of the Company, (iv) for a dividend reinvestment plan, (v) for a Block Trade or (vi) filed on Form S-4 (or successor form), then the Company shall (x) give written notice of such proposed filing to SVC as soon as practicable but in no event less than ten (10) Business Days before the anticipated filing date, which notice shall describe the amount and type of securities to be included in such offering, the intended method(s) of distribution, and the name of the proposed managing Underwriter(s), if any, of the offering and (y) offer to SVC in such notice the opportunity to register the sale of such number of its Registrable Securities as SVC may request in writing within five (5) Business Days following receipt of such notice (a "Piggy-Back Registration"). If SVC so requests to register the sale of some of its Registrable Securities, the Company shall cause such Registrable Securities to be included in the Registration Statement and shall use commercially reasonable efforts to cause the managing Underwriter(s) of the proposed underwritten offering to permit the Registrable Securities requested to be included in the Piggy-Back Registration to be included on the same terms and conditions as any similar securities of the Company and other stockholders of the Company and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method(s) of distribution thereof. If the Piggy-Back Registration involves one or more Underwriters, SVC shall enter into an underwriting agreement in customary form with the Underwriter(s) selected for such Piggy-Back Registration by the Company, complete and execute any questionnaires, powers of attorney, indemnities, lock-up agreements, securities escrow agreements and other documents reasonably required or which are otherwise customary under the terms of such underwriting agreement and furnish to the Company such information as the Company may reasonably request in writing for inclusion in the Registration Statement or such information that is otherwise customary.

(b) **Reduction of Offering.** If the managing Underwriter(s) for a Piggy-Back Registration that is to be an underwritten offering advises the Company and the holders of Registrable Securities that the dollar amount or number of Common Shares or other securities which the Company desires to sell, taken together with Common Shares or other securities, if any, as to which registration has been requested pursuant to written contractual arrangements with SVC and other Persons, the Registrable Securities as to which registration has been requested under this Section 2.1, and the Common Shares or other securities, if any, as to which registration has been requested pursuant to the written contractual demand or piggy-back registration rights of other stockholders of the Company, exceeds the maximum dollar amount or maximum number of Common Shares or other securities that can be sold in such offering without adversely affecting the proposed offering price, the timing, the distribution method or the probability of success of such offering (such maximum dollar amount or maximum number of Common Shares or other securities, as applicable, the "Maximum Number of Shares"), then the Company shall include in any such registration: (x) first, the shares or other securities that the Company desires to sell that can be sold without exceeding the Maximum Number of Shares; and (y) second, to the extent that the Maximum Number of Shares has not been reached under the foregoing clause (x), the shares or other securities, if any, including the Registrable Securities, as to which registration has been requested pursuant to written contractual piggy-back registration rights of security holders (pro rata in accordance with the number of Common Shares or other securities which each such person has actually requested to be included in such registration, regardless of the number of shares or other securities with respect to which such persons have the right to request such inclusion) that can be sold without exceeding the Maximum Number of Shares.

(c) **Withdrawal.** SVC may elect to withdraw its request for inclusion of its Registrable Securities in any Piggy-Back Registration by giving written notice to the Company of such request to withdraw no later than the time at which the public offering price and underwriters' discount are determined with the Underwriter(s). The Company may also elect to withdraw from a registration at any time no later than the time at which the public offering price and underwriters' discount are determined with

the Underwriter(s). If SVC's withdrawal is based on (i) the Company's failure to comply with its obligations under this Agreement or (ii) a reduction pursuant to Section 2.1(b) of twenty-five percent (25%) or more of the number of Registrable Securities which SVC has requested be included in the Piggy-Back Registration, the Company shall pay or reimburse all expenses otherwise payable or reimbursable by SVC in connection with such Piggy-Back Registration pursuant to Section 3.3.

ARTICLE III

REGISTRATION PROCEDURES

Section 3.1. Filings; Information. Whenever the Company is required to effect the registration of any Registrable Securities owned by SVC pursuant to **Article II**, the Company shall use commercially reasonable efforts to effect the registration and sale of such Registrable Securities in accordance with the intended method(s) of distribution thereof as expeditiously as practicable, and in connection with any such request:

(d) **Copies.** If SVC has included Registrable Securities in a registration, the Company shall, prior to filing a Registration Statement or Prospectus, or any amendment or supplement thereto, furnish to SVC and its counsel, copies of such Registration Statement as proposed to be filed, each amendment and supplement to such Registration Statement (in each case, including all exhibits thereto and documents incorporated by reference therein), the Prospectus included in such Registration Statement (including each preliminary Prospectus), and such other documents as SVC or counsel for SVC may reasonably request in order to facilitate the disposition of the Registrable Securities included in such registration.

(e) **Amendments and Supplements.** If SVC has included Registrable Securities in a registration, the Company shall prepare and file with the SEC such amendments, including post-effective amendments, and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective and in compliance with the provisions of the Securities Act until the earlier of the time that (i) all Registrable Securities covered by such Registration Statement have been disposed of in accordance with the intended method(s) of distribution set forth in such Registration Statement (which period shall not exceed the sum of one hundred eighty (180) days, plus any period during which any such disposition is interfered with by any stop order or injunction of the SEC or any Governmental Entity), (ii) the applicable offering has been terminated or withdrawn, (iii) such securities have been withdrawn or (iv) such securities have ceased to be Registrable Securities.

(f) **Notification.** If SVC has included Registrable Securities in a registration, after the filing of the Registration Statement, the Company shall promptly, and in no event more than two (2) Business Days after such filing, notify SVC of such filing, and shall further notify SVC promptly and confirm such notification in writing in all events within two (2) Business Days of the occurrence of any of the following: (i) when such Registration Statement becomes effective; (ii) when any post-effective amendment to such Registration Statement becomes effective; (iii) the issuance or threatened issuance by the SEC of any stop order (and the Company shall use reasonable best efforts to prevent the entry of such stop order or to remove it if entered); and (iv) any request by the SEC for any amendment or supplement to such Registration Statement or any Prospectus relating thereto or for additional information or of the occurrence of an event requiring the preparation of a supplement or amendment to such Prospectus so that, as thereafter delivered to the purchasers of the securities covered by such Registration Statement, such Prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein (in the light of the circumstances under which they were made) not misleading, and promptly make available to SVC any such supplement or amendment; except that before filing with the SEC a Registration Statement or Prospectus or any amendment

or supplement thereto, not including Exchange Act filings or any documents or filings incorporated by reference, the Company shall furnish to SVC and to its counsel, copies of all such documents proposed to be filed sufficiently in advance of filing to provide SVC and its counsel with a reasonable opportunity to review such documents and comment thereon, and the Company shall not file any Registration Statement or Prospectus or amendment or supplement thereto, including documents incorporated by reference, to which SVC or its counsel shall reasonably object.

(g) **State Securities Laws Compliance.** If SVC has included Registrable Securities in a registration, the Company shall use commercially reasonable efforts to (i) register or qualify the Registrable Securities covered by the Registration Statement under such securities or “blue sky” Laws of such jurisdictions in the United States as SVC (in light of the intended plan of distribution) may request and (ii) take such action necessary to cause such Registrable Securities covered by the Registration Statement to be registered with or approved by such other federal or state authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be necessary or advisable to enable SVC to consummate the disposition of such Registrable Securities in such jurisdictions; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3.1(d) or subject itself to taxation in any such jurisdiction.

(h) **Agreements for Disposition.** If SVC has included Registrable Securities in a registration, (i) the Company shall enter into customary agreements (including, if applicable, an underwriting agreement in customary form) and use commercially reasonable efforts to take such other actions as are required in order to expedite or facilitate the disposition of such Registrable Securities and (ii) the representations, warranties and covenants of the Company in any underwriting agreement which are made to or for the benefit of any Underwriters, to the extent applicable, shall also be made to and for the benefit of SVC. For the avoidance of doubt, SVC may not require the Company to accept terms, conditions or provisions in any such agreement which the Company determines are not reasonably acceptable to the Company, notwithstanding any agreement to the contrary herein. SVC shall not be required to make any representations or warranties in the underwriting agreement except as reasonably requested by the Underwriters or the Company and, if applicable, with respect to SVC’s organization, good standing, authority, title to Registrable Securities, lack of conflict of such sale with SVC’s material agreements and organizational documents, and with respect to written information relating to SVC that SVC has furnished in writing expressly for inclusion in such Registration Statement, in each case, as applicable to SVC. SVC, however, shall agree to such covenants and indemnification and contribution obligations for selling stockholders as are reasonable and customarily contained in agreements of that type.

(i) **Cooperation.** The Company shall reasonably cooperate in any offering of Registrable Securities under this Agreement, which cooperation shall include, without limitation, the preparation of the Registration Statement with respect to such offering and all other offering materials and related documents, and participation in meetings with Underwriters, attorneys, accountants and potential investors. SVC shall reasonably cooperate in the preparation of the Registration Statement and other documents relating to any offering in which it includes securities pursuant to this Agreement. If SVC has included, or made a request to include, Registrable Securities in a registration, SVC shall also furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method(s) of disposition of such securities as the Company and/or its counsel shall reasonably request in order to assure full compliance with applicable provisions of the Securities Act and the Exchange Act in connection with the registration of the Registrable Securities.

(j) **Records.** If SVC has included Registrable Securities in a registration, upon reasonable notice and during normal business hours, subject to the Company receiving any customary confidentiality undertakings or agreements, the Company shall make available for inspection by SVC, any Underwriter participating in any disposition pursuant to such Registration Statement and any attorney, accountant or other professional retained by SVC or any Underwriter, all relevant financial and other records, pertinent corporate documents and properties of the Company as shall be necessary to enable them to exercise their due diligence responsibility, and shall cause the Company's officers, directors and employees to supply all information reasonably requested by SVC in connection with such Registration Statement.

(k) **Opinions and Comfort Letters.** If SVC has included Registrable Securities in a registration, the Company shall use commercially reasonable efforts to furnish to SVC executed copies of (i) any opinion of counsel to the Company delivered to any Underwriter and (ii) any comfort letter from the Company's independent public accountants delivered to any Underwriter; provided, however, that counsel to the Underwriter shall have exclusive authority to negotiate the terms thereof. In the event no legal opinion is delivered to any Underwriter, the Company shall furnish to SVC, at any time that SVC elects to use a Prospectus in connection with an offering of SVC's Registrable Securities, an opinion of counsel to the Company to the effect that the Registration Statement containing such Prospectus has been declared effective, that no stop order is in effect, and such other matters as the Persons holding a majority of the Registrable Securities subject to the registration may reasonably request as would customarily have been addressed in an opinion of counsel to the Company delivered to an Underwriter.

(l) **Earning Statement.** The Company shall comply with all applicable rules and regulations of the SEC and the Securities Act, and make generally available to SVC, as soon as practicable, an earning statement satisfying the provisions of Section 11(a) of the Securities Act, provided that the Company will be deemed to have complied with this Section 3.1(i) if the earning statement satisfies the provisions of Rule 158 under the Securities Act.

(m) **Listing.** The Company shall use commercially reasonable efforts to cause all Registrable Securities of SVC included in any registration to be listed on such exchange or otherwise designated for trading in the same manner as the similar shares of the Company are then listed or designated or, if no such similar securities are then listed or designated, in a manner satisfactory to SVC.

Section 3.2: Shelf Offering. In the event that a Registration Statement with respect to a Registration Statement on Form S-3 to sell securities in a secondary offering on a delayed or continuous basis in accordance with Rule 415 under the Securities Act (a "Shelf Registration") is effective, SVC may make a written request to sell pursuant to an offering (including an underwritten offering) its Registrable Securities available for sale pursuant to such Registration Statement (a "Shelf Offering") so long as such Registration Statement remains in effect and to the extent permitted under the Securities Act. Any written request for a Shelf Offering shall specify the number of Registrable Securities owned by SVC proposed to be sold and the intended method(s) of distribution thereof. Upon receipt of a written request of SVC for a Shelf Offering, the Company shall, as expeditiously as possible, use its commercially reasonable efforts to facilitate such Shelf Offering.

Section 3.3: Registration Expenses. Except to the extent expressly provided by Section 2.1(c) or in connection with a Piggy-Back Registration relating to a registration by the Company on its own initiative (and not as a result of any other Person's right to cause the Company to file, cause and effect a registration of Company securities) and for the Company's own account (in which case the Company will pay all customary costs and expenses of registration), if SVC has included Registrable Securities in a registration, SVC shall pay, or promptly reimburse the Company for, its pro rata share of all customary costs and expenses incurred in connection with any Piggy-Back Registration pursuant to Section 2.1, such pro rata share to be

in proportion to the number of shares SVC is selling, after giving effect to any reduction pursuant to Section 2.1(b), in such Piggy-Back Registration relative to the total number of shares being sold in the registration, of all customary costs and expenses incurred in connection with such registration, in each case whether or not the Registration Statement becomes effective, including, without limitation: (i) all registration and filing fees; (ii) fees and expenses of compliance with securities or “blue sky” Laws (including fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities); (iii) printing expenses; (iv) fees imposed by the Financial Industry Regulatory Authority, Inc.; and (v) fees and disbursements of counsel for the Company and fees and expenses for independent registered public accountants retained by the Company (including the expenses or costs associated with the delivery of any opinions or comfort letters requested pursuant to Section 3.1(h)). The Company shall have no obligation to pay for the fees and expenses of counsel representing SVC in any Piggy-Back Registration. The Company shall have no obligation to pay any underwriting discounts or selling commissions attributable to the Registrable Securities being sold by SVC, which underwriting discounts or selling commissions shall be borne solely by SVC. For the avoidance of doubt, SVC shall have no obligation to pay any underwriting discounts or selling commissions attributable to the shares being sold by any other Person. Additionally, in an underwritten offering, SVC, the Company and any other Person whose Common Shares or other securities are included in the offering shall bear the expenses of the Underwriter(s) pro rata in proportion to the respective amount of shares each is selling in such offering. For the avoidance of doubt, SVC shall have no obligation to pay, and the Company shall bear, all internal expenses of the Company (including, without limitation, all fees, salaries and expenses of its officers, employees and management) incurred in connection with performing or complying with the Company’s obligations under this Agreement.

Section 3.4: **Information.** SVC shall provide such information as may reasonably be requested by the Company, or the managing Underwriter, if any, in connection with the preparation of any Registration Statement or Prospectus, including amendments and supplements thereto, in order to effect the registration of any of its Registrable Securities under the Securities Act pursuant to this Agreement and in connection with the Company’s obligation to comply with federal and applicable state securities Laws.

Section 3.5: **SVC Obligations.** SVC may not participate in any underwritten offering pursuant to this Agreement unless SVC (i) agrees to only sell Registrable Securities on the basis reasonably provided in any underwriting agreement and (ii) completes, executes and delivers any and all questionnaires, lock-up agreements, powers of attorney, custody agreements, indemnities, underwriting agreements and other documents reasonably or customarily required by or under the terms of any underwriting agreement or as reasonably requested by the Company or the Underwriter(s) for such underwritten offering.

Section 3.6: **Lock-Up in an Underwritten Public Offering.** If requested by the Underwriter(s) of a registered underwritten public offering of securities of the Company, SVC will enter into a lock-up agreement in customary form pursuant to which it shall agree not to offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer, dispose of or hedge, directly or indirectly, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any Common Shares or other securities of the Company or any securities convertible into or exercisable or exchangeable for Common Shares or other securities of the Company or take such other action with respect to the Common Shares as specified in such lock-up agreement (except as part of such registered underwritten public offering or as otherwise permitted by the terms of such lock-up agreement) for a lock-up period that is customary for such an offering.

ARTICLE IV

INDEMNIFICATION

Section 4.1: Indemnification by the Company. The Company shall, to the extent permitted by applicable Law, indemnify and hold harmless SVC, its subsidiaries, their trustees, directors, officers, employees, representatives and agents in their capacity as such and each Person, if any, who controls SVC within the meaning of the Securities Act or the Exchange Act, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the “SVC Indemnified Parties”) from and against any and all damages, claims, losses, expenses, costs, obligations and liabilities, including liabilities for all reasonable attorneys’, accountants’, and experts’ fees and expenses (collectively, “Covered Liabilities”), suffered, directly or indirectly, by any SVC Indemnified Party by reason of or arising out of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Registration Statement under which the sale of Registrable Securities owned by SVC was registered under the Securities Act (or any amendment thereto), or any Prospectus, preliminary Prospectus, or free writing prospectus (as defined in Rule 405 promulgated under the Securities Act) relating to such Registration Statement, or any amendment thereof or supplement thereto, or by reason of or arising out of the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or any amendment or supplement thereto, in the light of the circumstances under which they were made), not misleading; provided, however, that (i) the Company will not be liable in any such case to the extent that any such Covered Liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made or incorporated by reference in such Registration Statement, Prospectus, preliminary Prospectus, free writing prospectus, amendment or supplement in reliance upon and in conformity with information furnished to the Company by or on behalf of SVC expressly for use in such document or documents and (ii) the indemnity agreement contained in this Section 4.1 shall not apply to amounts paid in settlement of any such Covered Liability if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld). The indemnity in this Section 4.1 shall remain in full force and effect regardless of any investigation made by or on behalf of any SVC Indemnified Person. For the avoidance of doubt, the Company and its subsidiaries are not “SVC Indemnified Parties.”

Section 4.2: Indemnification by SVC. SVC shall, to the extent permitted by applicable Law, indemnify and hold harmless the Company, its subsidiaries, each of their respective directors, trustees, officers, employees, representatives and agents, in their capacity as such and each Person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act, and the heirs, executors, successors and assigns of any of the foregoing (collectively, the “Company Indemnified Parties”) from and against any and all Covered Liabilities suffered, directly or indirectly, by any Company Indemnified Party by reason of or arising out of any untrue statement or alleged untrue statement or omission or alleged omission contained or incorporated by reference in the Registration Statement under which the sale of Registrable Securities owned by SVC was registered under the Securities Act (or any amendment thereto), or any Prospectus, preliminary Prospectus, or free writing prospectus (as defined in Rule 405 promulgated under the Securities Act) related to such Registration Statement or any amendment thereof or supplement thereto, in reliance upon and in conformity with information furnished to the Company by SVC expressly for use therein; provided, however, that (i) the indemnity agreement contained in this Section 4.2 shall not apply to amounts paid in settlement of any such Covered Liability if such settlement is effected without the consent of SVC (which consent shall not be unreasonably withheld), and (ii) in no event shall the total amounts payable in indemnity by SVC under this Section 4.2 exceed the proceeds (less underwriting discounts, fees and selling commissions, if any, if an underwritten offering) received by SVC in the registered offering out

of which such Covered Liability arises. The indemnity in this Section 4.2 shall remain in full force and effect regardless of any investigation made by or on behalf of any the Company Indemnified Person. For the avoidance of doubt, SVC is not a “Company Indemnified Party.”

Section 4.3: **Contribution.** If the indemnification provided for in Section 4.1 or Section 4.2 is unavailable, because it is prohibited or restricted by applicable Law, to an indemnified party under either such Section in respect of any Covered Liabilities referred to therein, then in order to provide for just and equitable contribution in such circumstances, each party that would have been an indemnifying party thereunder shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such Covered Liabilities in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and such indemnified party on the other in connection with the untrue statement or omission, or alleged untrue statement or omission, which resulted in such Covered Liabilities, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or such indemnified party and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and SVC agree that it would not be just and equitable if contribution pursuant to this Section 4.3 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 4.3. For the avoidance of doubt, the amount paid or payable by an indemnified party as a result of the Covered Liabilities referred to in this Section 4.3 shall include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing or defending, settling or satisfying any such Covered Liability. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

Section 4.4: **Certain Limitations, Etc.** The amount of any Covered Liabilities for which indemnification is provided under this Agreement shall be net of (i) any amounts actually recovered or recoverable by the indemnified parties under insurance policies and (ii) other amounts actually recovered by the indemnified party from third parties, in the case of (i) and (ii), with respect to such Covered Liabilities. Any indemnifying party hereunder shall be subrogated to the rights of the indemnified party upon payment in full of the amount of the relevant indemnifiable loss. An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provision hereof, have any subrogation rights with respect thereto. If any indemnified party recovers an amount from a third party in respect of an indemnifiable loss for which indemnification is provided in this Agreement after the full amount of such indemnifiable loss has been paid by an indemnifying party or after an indemnifying party has made a partial payment of such indemnifiable loss and the amount received from the third party exceeds the remaining unpaid balance of such indemnifiable loss, then the indemnified party shall promptly remit to the indemnifying party the excess of (i) the sum of the amount theretofore paid by such indemnifying party in respect of such indemnifiable loss plus the amount received from the third party in respect thereof, less (ii) the full amount of such Covered Liabilities.

ARTICLE V

UNDERWRITING AND DISTRIBUTION

Section 5.1. Rule 144. Following such time as the Company is required to file reports under the Exchange Act, the Company covenants that it shall file all reports required to be filed by it under the Securities Act and the Exchange Act and shall take such further action as SVC may reasonably request, all to the extent required from time to time to enable SVC to sell its Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 under the Securities Act, or any similar provision thereto, but not Rule 144A.

ARTICLE VI **MISCELLANEOUS**

Section 6.1. Notices. All notices and other communications in connection with this Agreement shall be in writing and shall be considered given if given in the manner, and be deemed given at times, as follows: (i) on the date delivered, if personally delivered; (ii) on the date sent by email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (iii) on the next Business Day after being sent by recognized overnight mail service specifying next Business Day delivery, in each case with delivery charges pre-paid and addressed to the following addresses:

(n) If to SVC, to:

Service Properties Trust
Two Newton Place
255 Washington Street, Suite 300
Newton, Massachusetts 02458
Attention: John G. Murray
President and Chief Executive Officer
Email: jmurray@svcreit.com

with a copy (which shall not constitute notice) to:

Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109
Attention: Lindsey A. Getz
Email: lgetz@sullivanlaw.com

(o) If to the Company, to:

Sonesta Holdco Corporation
Two Newton Place
255 Washington Street, Suite 300
Newton, Massachusetts 02458
Attention: Jennifer B. Clark
Secretary
Email: jclark@rmrgroup.com

with copies (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP
One Rodney Square
Wilmington, Delaware 19899
Attention: Faiz Ahmad
Email: faiz.ahmad@skadden.com

Section 6.1: Assignment; Successors; Third Party Beneficiaries. Except as set forth in this Section 6.2, this Agreement and the rights, interests and obligations of the Parties hereunder may not be assigned, transferred or delegated. This Agreement and the rights, interests and obligations of a Party hereunder may be assigned, transferred or delegated by the Party to a Person who succeeds to all or substantially all the assets of the Party, which successor or Person agrees in a writing delivered to the other Party to be subject to and bound by all interests and obligations set forth in this Agreement. This Agreement and the rights, interests and obligations of SVC and its Permitted Transferees (as defined in the Stockholders Agreement) hereunder may be assigned, transferred or delegated by such Persons to a Person who acquires all or any portion of the Registrable Securities owned by such Persons; provided, that (i) such assignment, transfer or delegation relates to at least ten percent (10%) of the Registrable Securities then owned by SVC and its Permitted Transferees, (ii) such assignment, transfer or delegation is in compliance with the terms and conditions of the Stockholders Agreement, if applicable, and applicable securities laws, and (iii) such Person agrees in a writing delivered to the Company to be subject to and bound by all interests and obligations set forth in this Agreement. This Agreement shall bind and inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns. Except as expressly provided in **Article IV** and Section 6.4(c), this Agreement (including the documents and instruments referred to in this Agreement) is not intended to and does not confer upon any Person other than the Parties any rights or remedies under this Agreement.

Section 6.3: Prior Negotiations; Entire Agreement. This Agreement and the Transaction Agreement (including the documents and instruments referred to in this Agreement or the Transaction Agreement or entered into in connection therewith) constitute the entire agreement of the Parties and supersede all prior agreements, arrangements or understandings, whether written or oral, between the Parties with respect to the subject matter of this Agreement.

Section 6.4: Governing Law; Venue; Arbitration.

a. **Governing Law.** This Agreement and any Dispute, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the Laws of the State of Maryland without regard to principles of conflicts of law.

b. **Venue.** Each Party agrees that it shall bring any Proceeding in respect of any claim arising out of or related to this Agreement or the transactions contemplated hereby exclusively in the courts of the State of Maryland and the Federal courts of the United States, in each case, located in the City of Baltimore (the "Chosen Courts"). Solely in connection with claims arising under this Agreement or the transactions contemplated hereby, each Party irrevocably and unconditionally (i) submits to the exclusive jurisdiction of the Chosen Courts, (ii) agrees not to commence any such Proceeding except in such courts, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such Proceeding in the Chosen Courts, (iv) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such Proceeding and

(v) agrees that service of process upon such Party in any such Proceeding shall be effective if notice is given in accordance with Section 6.1. Nothing in this Agreement will affect the right of any Party to serve process in any other manner permitted by Law. A final judgment in any such Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. EACH PARTY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. Notwithstanding anything herein to the contrary, if a demand for arbitration of a Dispute is made pursuant to Section 6.4(c), this Section 6.4(b) shall not pre-empt resolution of the Dispute pursuant to Section 6.4(c).

c. **Dispute Resolution.**

i. **Disputes.** Any disputes, claims or controversies arising out of or relating to this Agreement or the transactions contemplated hereby, including any disputes, claims or controversies brought by or on behalf of a Party hereto, a direct or indirect parent of a party, or any holder of equity interests (which, for purposes of this Section 6.4(c), shall mean any holder of record or any beneficial owner of equity interests, or any former holder of record or beneficial owner of equity interests) of a Party, either on its own behalf, on behalf of a Party or on behalf of any series or class of equity interests of a Party or holders of any equity interests of a Party against a Party or any of their respective trustees, directors, members, officers, managers (including The RMR Group LLC or its parent and their respective successor), agents or employees, including any disputes, claims or controversies relating to the meaning, interpretation, effect, validity, performance, application or enforcement of this Agreement, including the agreements set forth in this Section 6.4(c), or the governing documents of a Party (all of which are referred to as “Disputes”), or relating in any way to such a Dispute or Disputes shall, on the demand of any party to such Dispute or Disputes, be resolved through binding and final arbitration in accordance with the Commercial Arbitration Rules (the “Rules”) of the American Arbitration Association (the “AAA”) then in effect, except as those Rules may be modified in this Section 6.4(c). For the avoidance of doubt, and not as a limitation, Disputes are intended to include derivative actions against the trustees, directors, officers or managers of a Party and class actions by a holder of equity interests against those Persons and a Party. For the avoidance of doubt, a Dispute shall include a Dispute made derivatively on behalf of one party against another party.

ii. **Selection of Arbitrators.** There shall be three (3) arbitrators. If there are only two (2) parties to the Dispute, each party shall select one (1) arbitrator within fifteen (15) days after receipt by respondent of a copy of a demand for arbitration. Such arbitrators may be affiliated or interested persons of such parties. If there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, shall each select, by the vote of a majority of the claimants or the respondents, as the case may be, one (1) arbitrator within fifteen (15) days after receipt of a demand for arbitration. Such arbitrators may be affiliated or interested persons of the claimants or the respondents, as the case may be. If either a claimant (or all claimants) or a respondent (or all respondents) fail(s) to timely select an arbitrator then the party (or parties) who has selected an arbitrator may request the AAA to provide a list of three (3) proposed arbitrators in accordance with the Rules (each of whom shall be neutral, impartial and unaffiliated with any party) and the party (or parties) that failed to timely appoint an arbitrator shall have ten (10) days from the date the AAA provides such list to select one (1) of the three (3) arbitrators proposed by the AAA. If the party (or parties) fail(s) to select the second (2nd) arbitrator by that time, the party (or parties) who have appointed the first (1st) arbitrator shall then have ten (10) days to select one (1) of the three (3) arbitrators proposed by the AAA to be the second (2nd) arbitrator; and, if they should

fail to select the second (2nd) arbitrator by such time, the AAA shall select, within fifteen (15) days thereafter, one (1) of the three (3) arbitrators it had proposed as the second (2nd) arbitrator. The two (2) arbitrators so appointed shall jointly appoint the third (3rd) and presiding arbitrator (who shall be neutral, impartial and unaffiliated with any party) within fifteen (15) days of the appointment of the second (2nd) arbitrator. If the third (3rd) arbitrator has not been appointed within the time limit specified herein, then the AAA shall provide a list of proposed arbitrators in accordance with the Rules, and the arbitrator shall be appointed by the AAA in accordance with a listing, striking and ranking procedure, with each party having a limited number of strikes, excluding strikes for cause.

iii. **Location of Arbitration.** Any arbitration hearings shall be held in Boston, Massachusetts, unless otherwise agreed by the parties, but the seat of arbitration shall be Maryland.

iv. **Scope of Discovery.** There shall be only limited documentary discovery of documents directly related to the issues in dispute, as may be ordered by the arbitrators. For the avoidance of doubt, it is intended that there shall be no depositions and no other discovery other than limited documentary discovery as described in the preceding sentence.

v. **Arbitration Award.** In rendering an award or decision (an “Award”), the arbitrators shall be required to follow the Laws of the State of Maryland, without regard to principles of conflicts of law. Any arbitration proceedings or Award rendered hereunder, and the validity, effect and interpretation of the agreements set forth in this Section 6.4(c) shall be governed by the Federal Arbitration Act, 9 U.S.C. §1 et seq. An Award shall be in writing and may, but shall not be required to, briefly state the findings of fact and conclusions of Law on which it is based. Any monetary Award shall be made and payable in U.S. dollars free of any tax, deduction or offset. Subject to Section 6.4(c)(vii), each party against which an Award assesses a monetary obligation shall pay that obligation on or before the thirtieth (30th) day following the date of such Award or such other date as such Award may provide.

vi. **Costs.** Except to the extent expressly provided by this Agreement or as otherwise agreed by the parties thereto, to the maximum extent permitted by Maryland Law, each party involved in a Dispute shall bear its own costs and expenses (including attorneys’ fees), and the arbitrators shall not render an Award that would include shifting of any such costs or expenses (including attorneys’ fees) or, in a derivative case or class action, award any portion of a party’s Award to the claimant or the claimant’s attorneys. Each party (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, respectively) shall bear the costs and expenses of its (or their) selected arbitrator and the parties (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand) shall equally bear the costs and expenses of the third (3rd) appointed arbitrator.

vii. **Appeals.** Notwithstanding any language to the contrary in this Agreement, any Award, including but not limited to any interim Award, may be appealed pursuant to the AAA’s Optional Appellate Arbitration Rules (“Appellate Rules”). An Award shall not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty (30) days of receipt of an Award by filing a notice of appeal with any AAA office. Following the appeal process, the decision rendered by the appeal tribunal may be entered in any court having jurisdiction thereof. For the avoidance of doubt, and despite any contrary provision of the Appellate Rules, Section 6.4(c)(vi) shall apply to any appeal pursuant to this Section 6.4(c) and the appeal tribunal shall not render an Award that would include shifting of any costs or expenses (including attorneys’ fees) of any party.

viii. **Final Judgment.** Following the expiration of the time for filing the notice of appeal, or the conclusion of the appeal process set forth in Section 6.4(c)(vii), an Award shall be final and binding upon the parties thereto and shall be the sole and exclusive remedy between those parties relating to the Dispute, including any claims, counterclaims, issues or accounting presented to the arbitrators. Judgment upon an Award may be entered in any court having jurisdiction. To the fullest extent permitted by Law, no application or appeal to any court of competent jurisdiction may be made in connection with any question of law arising in the course of arbitration or with respect to any Award made, except for actions relating to enforcement of the agreements set forth in this Section 6.4(c) or any arbitral award issued hereunder and except for actions seeking interim or other provisional relief in aid of arbitration proceedings in any court of competent jurisdiction.

ix. **Intended Beneficiaries.** This Section 6.4(c) is intended to benefit and be enforceable by the Parties hereto and their respective shareholders, stockholders, members, beneficial interest owners, direct and indirect parents, trustees, directors, officers, managers (including The RMR Group LLC or its parent and their respective successor), members, agents or employees and their respective successors and assigns and shall be binding on the Parties, and such Persons and be in addition to, and not in substitution for, any other rights to indemnification or contribution that such Persons may have by contract or otherwise.

Section 6.5: Severability. This Agreement shall be interpreted in such manner as to be effective and valid under applicable Law. If at any time subsequent to the date hereof, any provision of this Agreement is determined by any court or arbitrator of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of Law or public policy in any respect, such provision will be enforced to the maximum extent possible given the intent of the Parties.

Section 6.6: Counterparts. This Agreement may be executed in any number of counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Party (including via facsimile or other electronic transmission), it being understood that each Party need not sign the same counterpart.

Section 6.7. Construction. Unless the context otherwise requires, as used in this Agreement: (i) “or” is not exclusive; (ii) “including” and its variants mean “including, without limitation” and its variants; (iii) words defined in the singular have the parallel meaning in the plural and vice versa; (iv) references to “written,” “in writing” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form; (v) words of one gender shall be construed to apply to each gender; (vi) all pronouns and any variations thereof refer to the masculine, feminine or neuter as the context may require; (vii) “Articles” and “Sections,” refer to Articles and Sections of this Agreement unless otherwise specified; (viii) “hereof”, “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; (ix) “dollars” and “\$” mean United States Dollars; and (x) the word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends and such phrase shall not mean simply “if.”

Section 6.8 Waivers and Amendments. This Agreement may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions of this Agreement may be waived, only by a written instrument signed by the Parties or, in the case of a waiver, by the Party waiving compliance. No delay on the part of any Party in exercising any right, power or privilege pursuant to this Agreement shall operate as a waiver thereof, nor shall any waiver of the part of any Party of any right, power or privilege pursuant to this Agreement, nor shall any single or partial exercise of any right, power or privilege pursuant

to this Agreement, preclude any other or further exercise thereof or the exercise of any other right, power or privilege pursuant to this Agreement. The rights and remedies provided pursuant to this Agreement are cumulative and are not exclusive of any rights or remedies which any Party otherwise may have at Law or in equity.

Section 6.9: **Specific Performance.** The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, in addition to any other applicable remedies at Law or equity, the Parties shall be entitled to an injunction or injunctions, without proof of damages, to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

Section 6.10: **Further Assurances.** At any time or from time to time after the date hereof, the Parties agree to cooperate with each other, and at the request of any other Party, to execute and deliver any further instruments or documents and to take all such further action as the other Party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the Parties hereunder.

Section 6.11: **Exculpation.** NO TRUSTEE, OFFICER, DIRECTOR, SHAREHOLDER, MEMBER, EMPLOYEE OR AGENT OF ANY PARTY SHALL BE HELD TO ANY PERSONAL LIABILITY, JOINTLY OR SEVERALLY, FOR ANY OBLIGATION OF, OR CLAIM AGAINST, SUCH PARTY. ALL PERSONS DEALING WITH SUCH PARTY IN ANY WAY, SHALL LOOK ONLY TO THE ASSETS OF SUCH PARTY FOR THE PAYMENT OF ANY SUM OR THE PERFORMANCE OF ANY OBLIGATION.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Registration Rights Agreement as of the date first written above.

SONESTA HOLDCO CORPORATION

By: /s/ Carlos R. Flores

Carlos R. Flores

President and Chief Executive Officer

SERVICE PROPERTIES TRUST

By: /s/ John G. Murray

John G. Murray

President and Chief Executive Officer

JOINDER AGREEMENT

This JOINDER AGREEMENT (the “**Joinder Agreement**”), dated as of February 28, 2020 is entered into by SVC Holdings, LLC, a limited liability company organized under the laws of Maryland (the “**New Stockholder**”). All capitalized terms not defined in this Joinder Agreement shall have the meaning ascribed to such terms in that certain Stockholders Agreement dated as of February 27, 2020 by and among the individuals and entities named and listed therein as “**Stockholders**” and Sonesta Holdco Corporation, a Maryland corporation (the “**Company**”), as it may be amended from time to time (the “**Stockholders Agreement**”).

WHEREAS, the New Stockholder desires to acquire Company Shares in a Transfer from SVC and in connection therewith become a party to the Stockholders Agreement and that certain Registration Rights Agreement dated as of February 27, 2020 by and among SVC and the Company, as it may be amended from time to time (the “**Registration Rights Agreement**”); and

WHEREAS, the New Stockholder shall become a party to the Stockholders Agreement and the Registration Rights Agreement, and in furtherance of the foregoing, the New Stockholder shall execute and deliver this Joinder Agreement to the Company and each Stockholder.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the New Stockholder hereby agrees as follows:

1. Agreement to be Bound to the Stockholders Agreement. The New Stockholder hereby agrees that, upon execution of this Joinder Agreement, the New Stockholder shall become a party to the Stockholders Agreement as an SVC Party, and shall be fully bound by, subject to, and have all of the benefits and burdens of all of the covenants, terms and conditions of the Stockholders Agreement as an SVC Party thereunder.

2. Agreement to be Bound to the Registration Rights Agreement. The New Stockholder hereby agrees that, upon execution of this Joinder Agreement, the New Stockholder shall become a party to the Registration Rights Agreement as a Party (as defined therein), and shall be fully bound by, subject to, and have all of the benefits and burdens of all of the covenants, terms and conditions of the Registration Rights Agreement as a Party thereunder with respect to the Company Common Shares acquired.

3. Successors and Assigns. This Joinder Agreement shall bind and inure to the benefit of and be enforceable by the Company and each Stockholder, and their respective permitted successors, heirs and assigns.

4. Counterparts. This Joinder Agreement may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

5. Notices. All notices, demands or other communications to the New Stockholder shall be directed to the respective United States address set forth next to the New Stockholder’s name on the signature page hereto.

6. Governing Law. This Joinder Agreement shall be governed by and construed in accordance with the law (other than the law governing conflict of law questions) of the State of Maryland.

7. Descriptive Headings. The descriptive headings of this Joinder Agreement are for convenience of reference only and do not constitute a part of this Joinder Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the New Stockholder has executed this Joinder Agreement as of the date first above written.

SVC HOLDINGS llc

By: /s/ John G. Murray

John G. Murray

President and Chief Executive Officer

Address:

Two Newton Place
255 Washington Street, Suite 300
Newton, Massachusetts 02458-1632
Attention: Jennifer B. Clark, Secretary
Email: jclark@rmrgroup.com

Accepted and agreed to:

THE COMPANY:

Sonesta Holdco Corporation

By: /s/ Carlos R. Flores

Carlos R. Flores

President and Chief Executive Officer

[Sonesta Holdco Joinder to Stockholders Agreement]