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 September 30, 2021

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	**04-3262075**
(State or Other Jurisdiction of Incorporation or Organization)	(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 November 3, 2021: 165,092,333

SERVICE PROPERTIES TRUST
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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)

	September 30, 2021	December 31, 2020
ASSETS		
Real estate properties:		
Land	$ 2,036,297	$ 2,030,440
Buildings, improvements and equipment	9,109,518	9,131,832
Total real estate properties, gross	11,145,815	11,162,272
Accumulated depreciation	(3,517,771)	(3,280,110)
Total real estate properties, net	7,628,044	7,882,162
Acquired real estate leases and other intangibles, net	288,852	325,845
Assets held for sale	3,707	13,543
Cash and cash equivalents	912,532	73,332
Restricted cash	1,657	18,124
Due from related persons	46,660	55,530
Other assets, net	453,379	318,783
Total assets	$ 9,334,831	$ 8,687,319
LIABILITIES AND SHAREHOLDERS' EQUITY		
Revolving credit facility	$ 1,000,000	$ 78,424
Senior unsecured notes, net	6,139,787	6,130,166
Accounts payable and other liabilities	430,694	345,373
Due to related persons	10,608	30,566
Total liabilities	7,581,089	6,584,529
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, $.01 par value; 200,000,000 shares authorized; 165,092,638 and 164,823,833, shares issued and outstanding, respectively	1,651	1,648
Additional paid in capital	4,552,087	4,550,385
Cumulative other comprehensive loss	(755)	(760)
Cumulative net income available for common shareholders	2,834,449	3,180,263
Cumulative common distributions	(5,633,690)	(5,628,746)
Total shareholders' equity	1,753,742	2,102,790
Total liabilities and shareholders' equity	$ 9,334,831	$ 8,687,319

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues:				
Hotel operating revenues	$ 338,375	$ 199,719	$ 787,463	$ 700,578
Rental income	98,724	96,776	286,742	294,633
Total revenues	437,099	296,495	1,074,205	995,211
Expenses:				
Hotel operating expenses	285,233	174,801	723,769	492,906
Other operating expenses	4,437	3,705	11,758	11,029
Depreciation and amortization	124,163	122,204	370,208	377,557
General and administrative	14,231	12,295	40,840	37,621
Transaction related costs	3,149	—	28,934	—
Loss on asset impairment	—	10,248	2,110	55,502
Total expenses	431,213	323,253	1,177,619	974,615
Other operating income:				
Gain (loss) on sale of real estate, net	94	109	10,934	(9,655)
Unrealized gain on equity securities, net	24,348	5,606	20,367	4,409
Gain on insurance settlement	—	—	—	62,386
Interest income	203	6	485	283
Interest expense (including amortization of debt issuance costs and debt discounts and premiums of $5,877, $3,877, $15,123 and $10,651, respectively)	(92,458)	(80,532)	(273,227)	(223,679)
Loss on early extinguishment of debt	—	—	—	(6,970)
Loss before income taxes and equity in earnings (losses) of an investee	(61,927)	(101,569)	(344,855)	(152,630)
Income tax benefit (expense)	55	296	(1,009)	(16,706)
Equity in earnings (losses) of an investee	2,158	(1,369)	50	(4,305)
Net loss	(59,714)	(102,642)	(345,814)	(173,641)
Other comprehensive income:				
Equity interest in investee’s unrealized gains	5	63	5	63
Other comprehensive income	5	63	5	63
Comprehensive loss	$ (59,709)	$ (102,579)	$ (345,809)	$ (173,578)
Weighted average common shares outstanding (basic and diluted)	164,590	164,435	164,532	164,397
Net loss per common share (basic and diluted)	$ (0.36)	$ (0.62)	$ (2.10)	$ (1.06)

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						
	Number of Shares	Common Shares	Cumulative Common Distributions	Additional Paid in Capital	Cumulative Net Income Available for Common Shareholders	Cumulative Other Comprehensive Income (Loss)	Total
Balance at December 31, 2020	164,823,833	$ 1,648	$ (5,628,746)	$ 4,550,385	$ 3,180,263	$ (760)	$ 2,102,790
Net loss	—	—	—	—	(194,990)	—	(194,990)
Common share grants	—	—	—	380	—	—	380
Distributions to common shareholders	—	—	(1,648)	—	—	—	(1,648)
Balance at March 31, 2021	164,823,833	$ 1,648	$ (5,630,394)	$ 4,550,765	$ 2,985,273	$ (760)	$ 1,906,532
Net loss	—	—	—	—	(91,110)	—	(91,110)
Common share grants	49,000	1	—	1,066	—	—	1,067
Common share repurchases and forfeitures	(15,079)	—	—	(190)	—	—	(190)
Distributions	—	—	(1,648)	—	—	—	(1,648)
Balance at June 30, 2021	164,857,754	$ 1,649	$ (5,632,042)	$ 4,551,641	$ 2,894,163	$ (760)	$ 1,814,651
Net loss	—	—	—	—	(59,714)	—	(59,714)
Equity in unrealized gains of investees	—	—	—	—	—	5	5
Common share grants	291,700	2	—	1,046	—	—	1,048
Common share repurchases and forfeitures	(56,816)	—	—	(600)	—	—	(600)
Distributions	—	—	(1,648)	—	—	—	(1,648)
Balance at September 30, 2021	165,092,638	$ 1,651	$ (5,633,690)	$ 4,552,087	$ 2,834,449	$ (755)	$ 1,753,742
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	—	—	590	—	—	590
Common share repurchases and forfeitures	(2,637)	—	—	(43)	—	—	(43)
Distributions to common shareholders	—	—	(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
Net loss	—	—	—	—	(37,349)	—	(37,349)
Common share grants	35,000	—	—	831	—	—	831
Common share repurchases and forfeitures	(3,808)	—	—	(27)	—	—	(27)
Balance at June 30, 2020	164,597,589	$ 1,646	$ (5,625,451)	$ 4,548,880	$ 3,420,646	$ —	$ 2,345,721
Net loss	—	—	—	—	(102,642)	—	(102,642)
Equity in unrealized gains of investees	—	—	—	—	—	63	63
Common share grants	264,400	3	—	868	—	—	871
Common share repurchases and forfeitures	(38,156)	(1)	—	(282)	—	—	(283)
Distributions	—	—	(1,646)	—	—	—	(1,646)
Balance at September 30, 2020	164,823,833	$ 1,648	$ (5,627,097)	$ 4,549,466	$ 3,318,004	$ 63	$ 2,242,084

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

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

	For the Nine Months Ended September 30, 2021	2020
Cash flows from operating activities:		
Net loss	$ (345,814)	$ (173,641)
Adjustments to reconcile net loss to cash (used in) provided by operating activities:		
Depreciation and amortization	370,208	377,557
Net amortization of debt issuance costs, discounts and premiums as interest	15,123	10,651
Straight-line rental income	3,087	298
Security deposits utilized	—	(109,162)
Loss on early extinguishment of debt	—	6,970
Loss on asset impairment	2,110	55,502
Unrealized gain on equity securities, net	(20,367)	(4,409)
Equity in (earnings) losses of an investee	(50)	4,305
(Gain) loss on sale of real estate	(10,934)	9,655
Gain on insurance settlement	—	(62,386)
Deferred income taxes	—	15,650
Other non-cash income, net	(1,720)	(2,324)
Changes in assets and liabilities:		
Due from related persons	(919)	171
Other assets	16,396	(45,844)
Accounts payable and other liabilities	(9,635)	(15,585)
Due to related persons	(16,483)	(1,884)
Net cash provided by operating activities	1,002	65,524
Cash flows from investing activities:		
Real estate acquisitions and deposits	(7,649)	(7,090)
Real estate improvements	(64,340)	(54,603)
Hotel managers’ purchases with restricted cash	(23,692)	(127,837)
Hotel manager’s deposit of insurance proceeds into restricted cash	—	34,238
Net proceeds from sale of real estate	33,772	67,811
Investment in Sonesta	(25,443)	(5,314)
Investment in TravelCenters of America	—	(7,011)
Distributions in excess of earnings from Affiliates Insurance Company	—	286
Net cash used in investing activities	(87,352)	(99,520)
Cash flows from financing activities:		
Proceeds from issuance of senior unsecured notes, after discounts and premiums	—	800,000
Repurchase of senior unsecured notes	—	(355,971)
Borrowings under revolving credit facility	984,027	709,000
Repayments of revolving credit facility	(62,451)	(1,005,914)
Deferred financing costs	(6,762)	(15,900)
Repurchase of common shares	(787)	(346)
Distributions to common shareholders	(4,944)	(92,155)
Net cash provided by financing activities	909,083	38,714
Increase in cash and cash equivalents and restricted cash	822,733	4,718
Cash and cash equivalents and restricted cash at beginning of period	91,456	81,259
Cash and cash equivalents and restricted cash at end of period	$ 914,189	$ 85,977
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	$ 912,532	$ 47,847
Restricted cash	1,657	38,130
Total cash and cash equivalents and restricted cash	$ 914,189	$ 85,977

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

	For the Nine Months Ended September 30,	
	2021	2020
Supplemental cash flow information:		
Cash paid for interest	$ 273,221	$ 226,329
Cash paid for income taxes	2,577	2,117
Non-cash investing activities:		
Real estate improvements accrued, not paid	$ 7,341	$ 2,775
Investment in Sonesta	—	42,000

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. Organization and Basis of Presentation

Service Properties Trust, or we, us or our, is a real estate investment trust, or REIT, organized on February 7, 1995 under the laws of the State of Maryland, which invests in hotels and service-focused retail net lease properties. At September 30, 2021, we owned, directly and through our subsidiaries, 304 hotels and 794 net lease properties.

At September 30, 2021, all 304 of our hotels were operated by subsidiaries of the following companies: Sonesta Holdco Corporation, or Sonesta (261 hotels), Hyatt Hotels Corporation, or Hyatt (17 hotels), Radisson Hospitality, Inc., or Radisson (nine hotels), Marriott International, Inc., or Marriott (16 hotels), and InterContinental Hotels Group, plc, or IHG (one hotel). At September 30, 2021, we owned 794 net lease properties with 175 tenants, including 179 travel centers leased to TravelCenters of America Inc., or TA, our largest tenant. Hereinafter, these companies are sometimes referred to as our managers and/or tenants, or collectively, operators.

Impact of COVID-19

Since March 2020, the lodging industry and other industries in which our managers and tenants operate have been adversely impacted by the novel coronavirus, or COVID-19, global pandemic along with the federal, state and local government mandates intended to contain and mitigate the spread of COVID-19 and market reactions to the pandemic. The effects of COVID-19 continue to have a significant negative impact on our results of operations, financial position and cash flow. Although lodging demand has improved through the third quarter of 2021 when compared to 2020 levels, we cannot predict with certainty when business levels may return to historical, pre-pandemic levels.

Basis of Presentation

The accompanying condensed consolidated financial statements of 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, 2020, or our 2020 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.

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 credit losses, purchase price allocations, useful lives of fixed assets, impairment of real estate and related intangibles.

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*™. 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 $151,506 and $118,862 as of September 30, 2021 and December 31, 2020, respectively, and consist primarily of amounts due from and working capital advances to certain of our hotel managers. The liabilities of our TRSs were $39,169 and $70,240 as of September 30, 2021 and December 31, 2020, respectively, and consist primarily of 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. Revenue Recognition

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

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

We report rental income for leased properties in our condensed consolidated statements of comprehensive income (loss). We recognize rental income from operating leases on a straight line basis over the term of the lease agreements. We reduced rental income by $905 for the three months ended September 30, 2021, increased rental income by $2,370 for the three months ended September 30, 2020 and reduced rental income by $3,087 and $298 for the nine months ended September 30, 2021 and 2020, respectively, 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. See Notes 5 and 9 for further information regarding our TA leases. Due from related persons includes $24,113 and $33,902 and other assets, net, includes $25,172 and $16,264 of straight line rent receivables at September 30, 2021 and December 31, 2020, respectively.

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 $1,849 and $893 for the three months ended September 30, 2021 and 2020, respectively, and $4,827 and $1,742 for the nine months ended September 30, 2021 and 2020, respectively.

Note 3. Weighted Average Common Shares

We calculate basic earnings per common share by dividing net loss by the weighted average number of our common shares outstanding during the period. We calculate diluted earnings per share using the more dilutive of the two class method or the treasury stock method. Unvested share awards and other potentially dilutive common shares, and the related impact on earnings, are considered when calculating diluted earnings per share. For the three and nine months ended September 30, 2021 and 2020, there were no dilutive common shares and certain unvested common shares were not included in the calculation of diluted earnings per share because to do so would have been antidilutive.

Note 4. Real Estate Properties

At September 30, 2021, we owned 304 hotels with an aggregate of 48,439 rooms or suites and 794 service-oriented retail properties with an aggregate of 13,574,656 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 $11,145,815, excluding six properties classified as held for sale as of September 30, 2021.

Capital expenditures made at certain of our properties were $73,218 and $108,392 during the nine months ended September 30, 2021 and 2020, respectively.

Acquisitions

On March 9, 2021, we acquired a land parcel adjacent to a property we own in Nashville, TN for a purchase price of $7,709, including acquisition related costs. We accounted for this transaction as an acquisition of assets.

Dispositions

During the nine months ended September 30, 2021, we sold 11 properties for an aggregate sales price of $34,721, excluding closing costs, as presented in the table below. The sales of these properties do not represent significant dispositions individually or in the aggregate nor do they represent a strategic shift. As a result, the results of the operations of these properties are included in continuing operations through the date of sale in our condensed consolidated statements of comprehensive income (loss).

(dollars in thousands, except share data)

Date of Sale	Number of Properties	Location	Property Type	Rooms/ Square Feet	Gross Sales Price	Gain/(Loss) on Sale
3/16/2021	1	Chattanooga, TN	Net Lease	2,797	$ 375	$ (9)
4/1/2021	1	Jacksonville, FL	Hotel	146	9,753	49
4/6/2021	1	Colorado Springs, CO	Net Lease	32,130	1,300	(10)
5/20/2021	5	Various	Hotel	430	22,263	10,763
6/11/2021	1	Emmitsburg, MD	Net Lease	3,114	360	47
8/11/2021	1	Soddy Daisy, TN	Net Lease	2,941	300	(33)
9/30/2021	1	Lincoln, IL	Net Lease	3,698	370	127
	11			576/44,680	$ 34,721	$ 10,934

In October 2021, we sold one net lease property with 7,070 rentable square feet for a sales price of $915, excluding closing costs.

We are currently marketing for sale 68 Sonesta branded hotels (46 extended stay hotels with 5,404 rooms or suites, 19 select service hotels with 2,461 rooms or suites and three full service hotels with 895 rooms or suites) located in 27 states with an aggregate net carrying value of $578,982 as of September 30, 2021. We currently expect these sales to be completed by the end of the first quarter of 2022.

We have also entered into agreements to sell four net lease properties with an aggregate of 14,630 square feet and an aggregate carrying value of $1,788 for an aggregate sales price of $2,275, excluding closing costs. We currently expect these sales to be completed by the end of the fourth quarter of 2021.

As of September 30, 2021, we had six net lease properties with an aggregate of 25,327 square feet classified as held for sale. See Note 12 for further information on these properties.

Note 5. Management Agreements and Leases

As of September 30, 2021, we owned 304 hotels which were included in six operating agreements and 794 service oriented retail properties net leased to 175 tenants. We do not operate any of our properties.

Hotel agreements

As of September 30, 2021, all 304 of our hotels were leased to our TRSs and managed by independent hotel operating companies. As of September 30, 2021, our hotel properties were managed by separate subsidiaries of Sonesta, Hyatt, Radisson, Marriott and IHG under six agreements. These hotel agreements had initial terms expiring between 2021 and 2037. Each of these agreements is for between one and 208 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 one to 60 years . Most of these agreements require the third party manager or tenant to: (1) make payments to us of minimum returns; (2) deposit a percentage of total hotel sales into FF&E reserves; and (3) make payments to our TRSs of additional returns to the extent of available cash flows after payment of operating expenses, payment of certain management fees, payment of our minimum returns, reimbursement of certain advances, funding of our FF&E reserves and replenishment of guarantees. Some of our managers or their affiliates provided deposits or guarantees to secure their obligations to pay us.

Sonesta agreement. As of September 30, 2021, Sonesta managed 41 of our full-service hotels, 157 extended stay hotels and 63 select service hotels pursuant to management agreements for each of the hotels. We are also party to pooling agreements that combine certain of 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. Our agreements with Sonesta for 53 hotels expire in January 2037, which we refer to as our legacy management and pooling agreements. As of September 30, 2021, 208 of our hotels were managed by Sonesta under agreements that expire on December 31, 2021 and automatically renew for successive one-year terms unless terminated earlier, which we refer to as our conversion hotel management and pooling agreements or collectively with our legacy management and pooling agreements, our Sonesta agreement.

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

As of September 30, 2021, Sonesta operated 261 of the 304 hotels we currently own, which comprised approximately 52.9% of our total historical real estate investments. In February and March 2021, we transitioned the branding and management of 88 hotels to Sonesta from Marriott and, in June 2021, we transitioned the branding and management of five hotels to Sonesta from Hyatt. On November 1, 2021, we transitioned the branding and management of one additional hotel to Sonesta from Radisson. We added these hotels to our conversion hotel management and pooling agreements with Sonesta.

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 $510,226 as of September 30, 2021. Our Sonesta agreement further provides that we are paid an additional return equal to 80% of the 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 net operating cash flow of $40,728 and a net operating cash flow deficit of $6,155 for the three months ended September 30, 2021 and 2020, respectively, and net operating cash flow of $28,531 and net operating cash flow deficit of $31,969 for the nine months ended September 30, 2021 and 2020, respectively. 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.

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 $26,640 and $3,831 for the three months ended September 30, 2021 and 2020, respectively, and $59,962 and $12,756 for the nine months ended September 30, 2021 and 2020, respectively. These fees and costs are included in hotel operating expenses in our condensed consolidated statements of comprehensive income (loss). In addition, we incurred procurement and construction supervision fees payable to Sonesta of $184 for each of the three months ended September 30, 2021 and 2020, and $1,571 and $1,087 for the nine months ended September 30, 2021 and 2020, respectively, which amounts have been capitalized in our condensed consolidated balance sheets and are depreciated over the estimated useful lives of the related capital assets.

Our Sonesta agreement requires us to fund capital expenditures that we approve at our Sonesta hotels. Each of our 14 full-service hotels operated under the legacy management agreements and all the hotels operated under the conversion hotel management agreements require that 5% of the hotel gross revenues 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. Our legacy management agreements do not require FF&E escrow deposits for 39 extended stay hotels. No FF&E escrow deposits were required during the three and nine months ended September 30, 2021. We incurred capital expenditures for certain hotels included in our Sonesta agreement of $76,035 and $48,119 during the nine months ended September 30, 2021 and 2020, respectively, which resulted in increases in our contractual annual minimum returns of $6,083 and $3,622, respectively. We owed Sonesta $5,016 and $26,096 for capital expenditures, and other reimbursements at September 30, 2021 and December 31, 2020, 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.

We are required to maintain working capital for each of our hotels managed by Sonesta and have advanced a fixed amount based on the number of rooms in each hotel to meet the cash needs for hotel operations. We had advanced $55,977 and $41,514 of initial working capital to Sonesta as of September 30, 2021 and December 31, 2020, respectively. These amounts are included in other assets in our condensed consolidated balance sheets. Any remaining working capital would be returned to us upon termination in accordance with the terms of our Sonesta agreement.

Accounting for Investment in Sonesta:

We account for our 34% non-controlling interest in Sonesta under the equity method of accounting. In March 2021, we funded a $25,443 capital contribution to Sonesta related to its acquisition of Red Lion Hotels Corporation. We continue to maintain our 34% ownership in Sonesta after giving effect to this funding. As of September 30, 2021, our investment in Sonesta had a carrying value of $62,143. This amount is included in other assets, net 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 of our initial equity interest in Sonesta, February 27, 2020, by an aggregate of $8,000. As required under GAAP, we are amortizing this difference to equity in earnings of an investee over 31 years, the weighted average remaining useful life of the real estate assets and intangible assets and liabilities owned by Sonesta as of the date of our acquisition. We recorded amortization of the basis difference of $65 in each of the three months ended September 30, 2021 and 2020 and $195 and $151 for the nine months ended September 30, 2021 and 2020, respectively. We recognized income of $2,158 and a loss of $1,369 related to our investment in Sonesta for the three months ended September 30, 2021 and 2020, respectively, and income of $50 and a loss of $4,305 for the nine months ended September 30, 2021 and 2020, respectively. These amounts are included in equity in earnings (losses) of an investee in our condensed consolidated statements of comprehensive income (loss).

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. 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, as a reduction to hotel operating expenses in our condensed consolidated statements of comprehensive income (loss). We reduced hotel operating expenses by $621 for each of the three months ended September 30, 2021 and 2020, respectively, and $1,863 and $1,448 for the nine months ended September 30, 2021 and 2020, respectively, for amortization of this liability. As of September 30, 2021, the unamortized balance of this liability was $38,068.

See Note 9 for further information regarding our relationship, agreements and transactions with Sonesta.

Hyatt agreement. On June 7, 2021, we and Hyatt amended our previous agreement for 22 hotels we own, or our Hyatt agreement. Under our amended Hyatt agreement, Hyatt will continue to manage 17 of the hotels we own for a 10 year term effective April 1, 2021. Our amended Hyatt agreement sets our annual minimum return at $12,000 and Hyatt provided us with a new $30,000 limited guarantee for 75% of the aggregate annual minimum returns due to us beginning in 2023. Under our amended Hyatt agreement, a management fee of 5% of gross room revenues payable to Hyatt will be an operating cost paid senior to our minimum return. Hyatt may also earn a 20% incentive management fee after payment of our annual minimum return and reimbursement of certain advances, if any. We also agreed to fund approximately $50,000 of renovations that are expected to be completed by the end of 2022. As described above, we transitioned the branding and management of the remaining five hotels that Hyatt previously managed to Sonesta in June 2021.

We realized returns of $2,768 and $5,509 during the three months ended September 30, 2021 and 2020, respectively, and returns of $6,634 and $16,528 during the nine months ended September 30, 2021 and 2020, respectively, under our Hyatt agreement. Any returns we receive from Hyatt are currently limited to the hotels' available cash flows, if any, after payment of operating expenses. During the nine months ended September 30, 2021, we expensed $3,700 of working capital we previously funded under our Hyatt agreement because the amount is no longer expected to be recoverable. This amount is included in transaction related costs in our condensed consolidated statement of income (loss).

Radisson agreement. On November 1, 2021, we and Radisson amended our previous agreement for nine hotels we own, or our Radisson agreement. Under our amended Radisson agreement, Radisson will continue to manage eight of the nine hotels we own for a 10 year term effective August 1, 2021. Our amended Radisson agreement sets our annual minimum return at $10,200 and Radisson provided us with a new $22,000 limited guarantee for 75% of the aggregate annual minimum returns due to us beginning in 2023. Under our amended Radisson agreement, a management fee of 5% of gross room revenues for each hotel operated under the Country Inn & Suites brand and a management fee of 3% of gross room revenues for each hotel managed under the Radisson Hotel brand payable to Radisson will be an operating cost paid senior to our minimum return. Radisson may also earn a 20% incentive management fee after payment of our annual minimum return and reimbursement of certain advances, if any. We also agreed to fund approximately $12,000 of renovations that are expected to be completed by the end of 2022. As described above, we transitioned the management and branding of the ninth hotel that Radisson previously managed to Sonesta on November 1, 2021.

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We realized minimum returns of $1,822 and $5,111 during the three months ended September 30, 2021 and 2020, respectively, and $11,878 and $15,332 during the nine months ended September 30, 2021 and 2020, respectively, under our Radisson agreement. Pursuant to our Radisson agreement, Radisson had provided us with a guaranty, which was limited to $47,523. During the nine months ended September 30, 2021, the hotels under our Radisson agreement generated cash flows that were less than the minimum returns due to us for the periods and Radisson made $13,238 of guaranty payments to cover part of the shortfall and the Radisson guaranty was exhausted.

Marriott agreement. As of January 1, 2021, Marriott managed 105 of our hotels under agreements we had terminated in 2020 for Marriott's failure to pay the cumulative shortfall between the payments we had received and 80% of the cumulative priority returns due to us in accordance with the agreement. We transitioned the branding and management of 88 Marriott managed hotels to Sonesta in February and March 2021. We sold one hotel that Marriott managed in April 2021 (see Note 4 for further information regarding this sale). As of September 30, 2021, Marriott managed 16 of our hotels. We are in arbitration proceedings with Marriott regarding, among other things, the timing and characterization of certain payments made to us, including Marriott's assertion that we are required to refund $19,120 of minimum return advances made to us in 2020, and the validity of the timing of the termination of the Marriott agreements, including an exit hotel agreement which, if not terminated, would require us to sell the 16 hotels encumbered with a Marriott brand. We are also seeking repayment of certain working capital advances we made to Marriott during 2020. We have entered an agreement with Marriott regarding the 16 hotels noted above, pursuant to which we agreed to have these hotels remain Marriott branded hotels until the arbitration is resolved.

Our Marriott hotels generated net operating cash flow of $4,685 and a net operating cash flow deficit of $7,895 during the three and nine months ended September 30, 2021, respectively. Any returns we receive from Marriott are limited to the hotels' available cash flows, if any, after payment of operating expenses. Marriott managed 122 of our hotels during the three and nine months ended September 30, 2020. We realized returns of $14,369 and $91,076 from our Marriott branded hotels during the three and nine months ended September 30, 2020, respectively. We incurred capital expenditures for certain hotels included in our Marriott agreement of $7,319 and $50,415 during the nine months ended September 30, 2021 and 2020, respectively.

Other. Our management agreement with IHG for one hotel expires on January 31, 2026. Our IHG hotel generated net operating cash flow of $962 and a net operating cash flow deficit of $384 during the three and nine months ended September 30, 2021, respectively. Any returns we receive from IHG are limited to the hotels' available cash flows, if any, after payment of operating expenses. IHG managed or leased 103 of our hotels during the three and nine months ended September 30, 2020. We realized returns of $9,654 and $117,874 under our IHG agreement during the three and nine months ended September 30, 2020, respectively.

Net lease portfolio

As of September 30, 2021, we owned 794 service-focused retail net lease properties with 13,574,656 square feet with leases requiring annual minimum rents of $370,945 with a weighted (by annual minimum rents) average remaining lease term of 10.3 years. The portfolio was 98.2% leased by 175 tenants operating under 134 brands in 21 distinct industries.

As a result of the COVID-19 pandemic, some of our tenants requested rent assistance. During the three months ended September 30, 2021, we entered into a rent deferral agreement for $2,852 of rent with one net lease tenant. As of September 30, 2021, we had $10,827 of deferred rents outstanding related to 15 tenants we granted rent relief to pursuant to such requests who represented approximately 2.9% of our annualized rental income of our net lease retail portfolio as of September 30, 2021. These deferred rents are included in other assets, net in our condensed consolidated balance sheets. These tenants are obligated to pay, in most cases, the deferred rent over a 12 to 24 month period. We have elected to use the FASB relief package regarding the application of lease accounting guidance to lease concessions provided as a result of the COVID-19 pandemic and account for lease concessions resulting from the COVID-19 pandemic outside of the existing lease modification guidance as the resulting cash flows from the modified lease are substantially the same as or less than the original lease. The deferred amounts did not impact our operating results for the three or nine months ended September 30, 2021.

We continually review receivables related to rent, straight-line rent and property operating expense reimbursements and determine collectability by taking into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. The review includes an assessment of whether substantially all of the amounts due under a tenant's lease are probable of collection. For leases that are deemed probable of collection, revenue continues to be recorded on a straight-line basis over the lease term.

For leases that are deemed not probable of collection, revenue is recorded as cash is received. We recognize all changes in the collectability assessment for an operating lease as an adjustment to rental income. We reduced our reserves for uncollectible amounts and increased rental income by $5,373 for the three months ended September 30, 2021 based on our assessment of collectibility and cash received from certain tenants. We recorded reserves for uncollectible amounts against rental income of $2,369 for the three months ended September 30, 2020, and $588 and $7,689 for the nine months ended September 30, 2021 and 2020, respectively. We had reserves for uncollectible rents of $16,434 and $18,230 as of September 30, 2021 and December 31, 2020, respectively, included in other assets in our condensed consolidated balance sheets.

TA leases. TA is our largest tenant, leasing 26.7% of our gross carrying value of real estate properties as of September 30, 2021. We lease to TA a total of 179 travel centers under five leases that expire between 2029 and 2035, subject to TA's right to extend those leases, and require annual minimum rents of $246,111 as of September 30, 2021. 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 and $13,212 of deferred rent to us for the three and nine months ended September 30, 2021 and 2020, respectively. The remaining balance of previously deferred rents was $26,420 and $39,632 as of September 30, 2021 and December 31, 2020, respectively.

We recognized rental income from TA of $62,116 and $61,528 for the three months ended September 30, 2021 and 2020, respectively, and $186,357 and $184,583 for the nine months ended September 30, 2021 and 2020, respectively. Rental income was reduced by $3,267 and $3,250 for the three months ended September 30, 2021 and 2020, respectively, and $9,789 and $9,834 for the nine months ended September 30, 2021 and 2020, respectively, 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 September 30, 2021 and December 31, 2020, we had receivables for current rent amounts owed to us by TA and straight-line rent adjustments of $46,660 and $55,530, respectively. These amounts are included in due from related persons in our condensed consolidated balance sheets.

In addition to the rental income that we recognized during the three months ended September 30, 2021 and 2020 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 $1,849 and $893 for the three months ended September 30, 2021 and 2020, respectively, and $4,827 and $1,742 for the nine months ended September 30, 2021 and 2020, respectively.

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 each of the three and nine months ended September 30, 2021 or 2020.

See Note 9 for further information regarding our relationship with TA.

Our other 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 net lease properties (excluding TA) of $36,608 and $34,574 for the three months ended September 30, 2021 and 2020, respectively, which included $2,361 and $5,620, respectively, of adjustments to record scheduled rent changes under certain of our leases on a straight-line basis and $99,594 and $106,804 for the nine months ended September 30, 2021 and 2020, respectively, which included $6,702 and $11,433, respectively, of adjustments to record scheduled rent changes under certain of our leases on a straight-line basis.

Note 6. Indebtedness

Our principal debt obligations at September 30, 2021 were: (1) $1,000,000 of outstanding borrowings under our $1,000,000 revolving credit facility; and (2) $6,200,000 aggregate outstanding principal amount of senior unsecured notes. Our revolving credit facility is 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 noted below, 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 235 basis points per annum, subject to a LIBOR floor of 0.50%, as of September 30, 2021. We also pay a facility fee, which was 30 basis points per annum at September 30, 2021, 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 September 30, 2021, the annual interest rate payable on borrowings under our revolving credit facility was 2.85%. The weighted average annual interest rate for borrowings under our revolving credit facility was 2.85% and 2.55% for the three months ended September 30, 2021 and 2020, respectively, and 2.85% and 2.38% for the nine months ended September 30, 2021 and 2020, respectively. As of each of September 30, 2021 and November 3, 2021, our $1,000,000 revolving credit facility was fully drawn.

We and our lenders amended our credit agreement governing our $1,000,000 revolving credit facility in 2020. Among other things, the amendments waived all of the then existing financial covenants through the end of the agreement term, or July 15, 2022, or the Waiver Period. As a result of the amendments, among other things:

- we pledged certain equity interests of subsidiaries owning properties and provided first mortgage liens on 74 properties owned by the pledged subsidiaries with an undepreciated book value of $1,834,420 as of September 30, 2021 to secure our obligations under the credit agreement;
- we have the ability to fund up to $250,000 of capital expenditures per year and up to $50,000 of certain other investments per year as defined in the credit agreement;
- we agreed to certain covenants and restrictions on distributions to common shareholders, share repurchases, incurring indebtedness, and acquiring real property (in each case subject to various exceptions);
- we agreed to maintain minimum liquidity of $125,000;
- we are generally required to apply the net cash proceeds from the disposition of assets, capital markets transactions and debt refinancings to repay outstanding amounts under the credit agreement, and then to other debt maturities;
- in order to exercise the first six month extension option under the credit agreement, we would need to be in compliance with the financial covenants under the agreement calculated using pro forma projections as defined in the agreement for the quarter ending June 30, 2022, annualized, and have repaid or refinanced our $500,000 of 5.00% senior notes due in August 2022; and
- we may not, during the Waiver Period and until we demonstrate compliance with certain covenants, utilize the feature in our credit agreement pursuant to 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. As of September 30, 2021, we were not in compliance with one of our debt covenants necessary to incur additional debt, and as a result, we will not be able to incur additional debt until we meet the required covenant level.

(dollars in thousands, except share data)

Note 7. Shareholders' Equity

Distributions

During the three months ended September 30, 2021, we declared and paid regular quarterly distributions to common shareholders as follows:

Declaration Date	Record Date	Paid Date	Dividend Per Common Share	Total Distributions
January 14, 2021	January 25, 2021	February 18, 2021	$ 0.01	$ 1,648
April 15, 2021	April 26, 2021	May 20, 2021	0.01	1,648
July 15, 2021	July 26, 2021	August 19, 2021	0.01	1,648
			$ 0.03	$ 4,944

On October 14, 2021, we declared a regular quarterly distribution to common shareholders of record as of October 25, 2021 of $0.01 per share, or $1,651. We expect to pay this amount on or about November 18, 2021.

Common Share Awards

On June 16, 2021, in accordance with our Trustee compensation arrangements, we awarded to each of our seven Trustees 7,000 of our common shares, valued at $13.94 per common share, the closing price of our common shares on The Nasdaq Stock Market, or Nasdaq, on that day.

On September 15, 2021, we awarded under our equity compensation plan an aggregate of 291,700 of our common shares, valued at $10.82 per common share, the closing price of our common shares on Nasdaq on that day, to our officers and certain other current and former officers and employees of RMR LLC.

Common Share Purchases

During the nine months ended September 30, 2021, we purchased an aggregate of 70,795 of our common shares valued at a weighted average share price of $11.10 per share, from our officers and certain other current and former officers and employees of RMR LLC in satisfaction of tax withholding and payment obligations in connection with the vesting of awards of our common shares.

Note 8. 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, the office building component of one of our hotels and to major renovation or repositioning activities at our hotels.

We recognized net business management fees payable to RMR LLC of $10,794 and $8,641 for the three months ended September 30, 2021 and 2020, respectively, and $31,836 and $27,613 for the nine months ended September 30, 2021 and 2020, respectively. Based on our common share total return, as defined in our business management agreement, as of each of September 30, 2021 and 2020, no incentive fees are included in the net business management fees we recognized for the three or nine months ended September 30, 2021 or 2020. The actual amount of annual incentive fees for 2021, 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, 2021, and will be payable in January 2022. We did not incur an incentive fee payable to RMR LLC for the year ended December 31, 2020. We include business management fee amounts in general and administrative expenses in our condensed consolidated statements of comprehensive income (loss).

We and RMR LLC amended our business management agreement effective August 1, 2021 to replace the benchmark index used in the calculation of incentive management fees. Pursuant to the amendment, for periods beginning on and after August 1, 2021, the MSCI U.S. REIT/Hotel & Resort REIT Index will replace the discontinued SNL U.S. REIT Hotel Index and be used to calculate benchmark returns per share for purposes of determining any incentive management fee payable by us to RMR LLC. For periods prior to August 1, 2021, the SNL U.S. REIT Hotel Index will continue to be used. Accordingly, the calculation of incentive management fees for the next three measurement periods will continue to use the SNL U.S. REIT Hotel Index in calculating the benchmark returns for periods through July 31, 2021. This change of index was due to S&P Global, Inc. ceasing to publish the SNL U.S. REIT Hotel Index.

We recognized property management and construction supervision fees payable to RMR LLC of $1,384 and $781 for the three months ended September 30, 2021 and 2020, respectively, and $3,267 and $2,722 for the nine months ended September 30, 2021 and 2020, respectively. Of those amounts, for the three months ended September 30, 2021 and 2020, $1,002 and $781, respectively, of property management fees were expensed to other operating expenses in our condensed consolidated statements of comprehensive income (loss) and $382 of construction and supervision fees were capitalized for the three months ended September 30, 2021. For the nine months ended September 30, 2021 and 2020, $2,683 and $2,710, respectively, of property management fees were expensed to other operating expenses in our condensed consolidated statements of comprehensive income (loss) and $584 and $12, respectively, of construction and supervision fees were capitalized. The amounts capitalized are included in building, improvements and equipment in our condensed consolidated balance sheets and are being depreciated over the estimated useful lives of the related capital assets.

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, 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 $679 and $258 for these expenses and costs for the three months ended September 30, 2021 and 2020, respectively, and $2,016 and $525 for the nine months ended September 30, 2021 and 2020, 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 (loss).

On June 22, 2021, we and RMR LLC amended our property management agreement to, among other things, provide for RMR LLC's oversight of any major capital projects and repositioning activities at our hotels, including our hotels that are managed by Sonesta, as we may request from time to time. RMR LLC will receive the same fee previously paid to Sonesta for these services, which is equal to 3% of the cost of any such major capital project or repositioning activity.

Note 9. 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 related to 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 operating subsidiary of RMR Inc. The Chair of our Board of Trustees and one of our Managing Trustees, Adam D. Portnoy, is the sole trustee, an officer and the controlling shareholder of ABP Trust, which is the controlling shareholder of RMR Inc., 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 our President and Chief Executive Officer also serves as an officer and employee of RMR LLC. In addition, each of our other officers serves as an officer 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 and as a managing trustee or managing director of those 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.

See Note 7 for information relating to the annual share awards we made in September 2021 to our officers and certain other employees of RMR LLC and common shares we purchased from our officers and certain other current and former officers and employees of RMR LLC in satisfaction of tax withholding and payment obligations in connection with the vesting of awards of our common shares to them. We include amounts recognized as expense for share awards to RMR LLC employees in general and administrative expenses in our condensed consolidated statements of comprehensive income (loss).

TA. We lease 179 of our travel centers to TA under our TA leases. As of September 30, 2021, we owned 1,184,797 shares of TA common stock, representing approximately 8.1% 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 September 30, 2021, beneficially owned 658,506 shares of TA common stock (including through RMR LLC), representing approximately 4.5% of TA's outstanding shares of common stock. See Note 5 for further information regarding our relationships, agreements and transactions with TA and Note 12 for further information regarding our investment in TA.

Sonesta. Sonesta is a private company. One of our Managing Trustees, Mr. Portnoy, is the controlling shareholder and a director of Sonesta. 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, as a managing director of RMR Inc. 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 September 30, 2021, we owned approximately 34% of Sonesta which managed 261 of our hotels. See Note 5 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 8 for further information regarding our management agreements with RMR LLC.

For further information about these and certain other such relationships and certain other related person transactions, refer to our 2020 Annual Report.

Note 10. 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 September 30, 2021, we recognized an income tax benefit of $55, which includes $139 of foreign taxes and $194 of state tax benefit. During the three months ended September 30, 2020, we recognized an income tax benefit of $296, which includes $123 of foreign tax benefit and $173 of state tax benefit. During the nine months ended September 30, 2021, we recognized income tax expense of $1,009, which includes $309 of foreign taxes and $699 of state taxes. During the nine months ended September 30, 2020, we recognized income tax expense of $16,706 which includes $379 of foreign taxes, $677 of state taxes and a $15,650 deferred tax liability recorded as a result of the book value to tax basis difference related to the accounting of an insurance settlement at one of our hotels.

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Note 11. 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 September 30, 2021			
	Hotels	Net Lease	Corporate	Consolidated
Revenues:				
Hotel operating revenues	$ 338,375	$ —	$ —	$ 338,375
Rental income	—	98,724	—	98,724
Total revenues	338,375	98,724	—	437,099
Expenses:				
Hotel operating expenses	285,233	—	—	285,233
Other operating expenses	—	4,437	—	4,437
Depreciation and amortization	66,065	58,098	—	124,163
General and administrative	—	—	14,231	14,231
Transaction related costs	—	—	3,149	3,149
Loss on asset impairment	—	—	—	—
Total expenses	351,298	62,535	17,380	431,213
Gain on sale of real estate, net	—	94	—	94
Unrealized gain on equity securities, net	—	—	24,348	24,348
Interest income	—	—	203	203
Interest expense	—	—	(92,458)	(92,458)
Income (loss) before income taxes and equity in earnings of an investee	(12,923)	36,283	(85,287)	(61,927)
Income tax benefit	—	—	55	55
Equity in earnings of an investee	2,158	—	—	2,158
Net income (loss)	$ (10,765)	$ 36,283	$ (85,232)	$ (59,714)

	For the Nine Months Ended September 30, 2021			
	Hotels	Net Lease	Corporate	Consolidated
Revenues:				
Hotel operating revenues	$ 787,463	$ —	$ —	$ 787,463
Rental income	700	286,042	—	286,742
Total revenues	788,163	286,042	—	1,074,205
Expenses:				
Hotel operating expenses	723,769	—	—	723,769
Other operating expenses	—	11,758		11,758
Depreciation and amortization	200,772	169,436	—	370,208
General and administrative	(276)	1,008	40,108	40,840
Transaction related costs	23,159	—	5,775	28,934
Loss on asset impairment	—	2,110	—	2,110
Total expenses	947,424	184,312	45,883	1,177,619
Gain on sale of real estate, net	10,813	121	—	10,934
Unrealized gain on equity securities, net	—	—	20,367	20,367
Interest income	—	—	485	485
Interest expense	—	—	(273,227)	(273,227)
Income (loss) before income taxes and equity in losses of an investee	(148,448)	101,851	(298,258)	(344,855)
Income tax expense	—	—	(1,009)	(1,009)
Equity in earnings of an investee	50	—	—	50
Net income (loss)	$ (148,398)	$ 101,851	$ (299,267)	$ (345,814)

	As of September 30, 2021			
	Hotels	Net Lease	Corporate	Consolidated
Total assets	$ 4,609,248	$ 3,605,271	$ 1,120,312	$ 9,334,831

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

	For the Three Months Ended September 30, 2020			
	Hotels	Net Lease	Corporate	Consolidated
Revenues:				
Hotel operating revenues	$ 199,719	$ —	$ —	$ 199,719
Rental income	674	96,102	—	96,776
Total revenues	200,393	96,102	—	296,495
Expenses:				
Hotel operating expenses	174,801	—	—	174,801
Other operating expenses	—	3,705	—	3,705
Depreciation and amortization	64,517	57,687	—	122,204
General and administrative	—	—	12,295	12,295
Loss on asset impairment	262	9,986	—	10,248
Total expenses	239,580	71,378	12,295	323,253
Loss on sale of real estate, net	—	109	—	109
Unrealized gain on equity securities, net	—	—	5,606	5,606
Interest income	6	—	—	6
Interest expense	—	—	(80,532)	(80,532)
Income (loss) before income taxes and equity in losses of an investee	(39,181)	24,833	(87,221)	(101,569)
Income tax benefit	—	—	296	296
Equity in losses of an investee	—	—	(1,369)	(1,369)
Net income (loss)	$ (39,181)	$ 24,833	$ (88,294)	$ (102,642)

	For the Nine Months Ended September 30, 2020			
	Hotels	Net Lease	Corporate	Consolidated
Revenues:				
Hotel operating revenues	$ 700,578	$ —	$ —	$ 700,578
Rental income	3,246	291,387	—	294,633
Total revenues	703,824	291,387	—	995,211
Expenses:				
Hotel operating expenses	492,906	—	—	492,906
Other operating expenses	—	11,029	—	11,029
Depreciation and amortization	199,955	177,602	—	377,557
General and administrative	—	—	37,621	37,621
Loss on asset impairment	22,622	32,880	—	55,502
Total expenses	715,483	221,511	37,621	974,615
Loss on sale of real estate, net	—	(9,655)	—	(9,655)
Gain on insurance settlement	62,386	—	—	62,386
Unrealized gain on equity securities, net	—	—	4,409	4,409
Interest income	168	—	115	283
Interest expense	—	—	(223,679)	(223,679)
Loss on early extinguishment of debt	—	—	(6,970)	(6,970)
Income (loss) before income taxes and equity in losses of an investee	50,895	60,221	(263,746)	(152,630)
Income tax expense	—	—	(16,706)	(16,706)
Equity in losses of an investee	—	—	(4,305)	(4,305)
Net income (loss)	$ 50,895	$ 60,221	$ (284,757)	$ (173,641)

	As of December 31, 2020			
	Hotels	Net Lease	Corporate	Consolidated
Total assets	$ 4,846,410	$ 3,721,418	$ 119,491	$ 8,687,319

Note 12. Fair Value of Assets and Liabilities

The table below presents certain of our assets carried at fair value at September 30, 2021, categorized by the level of inputs, as defined in the fair value hierarchy under GAAP, used in the valuation of each asset.

(dollars in thousands, except share data)

	September 30, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Recurring Fair Value Measurement Assets:				
Investment in TA (Level 1) (1)	$ 58,991	$ 58,991	$ 38,624	$ 38,624
Non-Recurring Fair Value Measurement Assets:				
Assets of properties held for sale (Level 2) (2)	$ 3,690	$ 3,690	$ 13,543	$ 13,543

(1) As of September 30, 2021 and December 31, 2020, we owned 1,184,797 shares of TA common stock, which are included in other assets in our condensed consolidated balance sheets and reported at fair value based on quoted market prices (Level 1 inputs). Our historical cost basis for these shares was $24,418 as of both September 30, 2021 and December 31, 2020. We recorded unrealized gains of $24,348 and $5,606 during the three months ended September 30, 2021 and 2020, respectively, and unrealized gains of $20,367 and $4,909 during the nine months ended September 30, 2021 and 2020, respectively, to adjust the carrying value of our investment in shares of TA common stock to its fair value.

(2) As of September 30, 2021, we owned six net lease properties located in five states with an aggregate carrying value of $3,690 classified as held for sale. These properties are recorded at their estimated fair value less costs to sell based on information derived from offers received from prospective buyers of the properties (Level 2 inputs as defined in the fair value hierarchy under GAAP). We recorded a $2,110 loss on asset impairment during the nine months ended September 30, 2021 to reduce the carrying value of five of these properties to their estimated fair value less costs to sell. As of December 31, 2020, we owned five hotels in four states with an aggregate carrying value of $10,699 and six net lease properties located in six states with an aggregate carrying value of $2,844 classified as held for sale.

In addition to the assets included in the table above, our financial instruments include our cash and cash equivalents, restricted cash, rents receivable, revolving credit facility and senior notes. At September 30, 2021 and December 31, 2020, 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:

	September 30, 2021		December 31, 2020	
	Carrying Value (1)	Fair Value	Carrying Value (1)	Fair Value
Senior Unsecured Notes, due 2022 at 5.00%	$ 498,941	$ 504,458	$ 498,032	$ 510,285
Senior Unsecured Notes, due 2023 at 4.50%	499,720	511,435	499,596	505,280
Senior Unsecured Notes, due 2024 at 4.65%	349,004	355,541	348,700	347,893
Senior Unsecured Notes, due 2024 at 4.35%	820,649	840,362	819,546	819,328
Senior Unsecured Notes, due 2025 at 4.50%	347,634	350,656	347,118	346,462
Senior Unsecured Notes, due 2025 at 7.50%	790,757	900,748	789,006	926,404
Senior Unsecured Notes, due 2026 at 5.25%	345,059	353,668	344,212	354,996
Senior Unsecured Notes, due 2026 at 4.75%	446,973	449,460	446,515	448,506
Senior Unsecured Notes, due 2027 at 4.95%	395,971	399,028	395,405	404,328
Senior Unsecured Notes, due 2027 at 5.50%	443,109	479,815	442,370	491,918
Senior Unsecured Notes, due 2028 at 3.95%	392,770	379,540	391,908	388,146
Senior Unsecured Notes, due 2029 at 4.95%	418,697	417,163	418,102	430,064
Senior Unsecured Notes, due 2030 at 4.375%	390,503	382,550	389,656	388,292
Total financial liabilities	$ 6,139,787	$ 6,324,424	$ 6,130,166	$ 6,361,902

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

At September 30, 2021 and December 31, 2020, 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 2020 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 September 30, 2021, we owned 1,098 properties in 47 states, the District of Columbia, Canada and Puerto Rico.

Business Environment and Outlook. Since March 2020, the lodging industry and other industries in which our managers and tenants operate have been adversely impacted by the COVID-19 global pandemic, along with federal, state and local government mandates intended to contain and mitigate the spread of COVID-19 and market reactions to the pandemic. The effects of COVID-19 continue to have a significant negative impact on our results of operations, financial position and cash flow. Although lodging demand improved during the three and nine months ended September 30, 2021 when compared to 2020 levels, we cannot predict with certainty when business levels may return to historical pre-pandemic levels. We currently expect that the recovery with respect to business transient and group business will be gradual and likely inconsistent. We also currently expect the recovery of the U.S. hospitality industry to be a multi-year process and to remain uneven. In addition, consumer confidence and lodging demand will continue to be affected by unemployment, perceptions of the safety of returning to normal activities, the continued use of video conferencing technologies rather than in person meetings and broader macroeconomic trends. We are closely monitoring the impacts of the COVID-19 pandemic on all aspects of our business, specifically, but not limited to, labor availability and cost pressures from supply chain disruptions and commodity price inflation in our hotel portfolio. For more information and risks relating to the COVID-19 pandemic on us and our business, see Part I, Item 1, "Business—Impact of COVID-19" and Part I, Item 1A, "Risk Factors", of our 2020 Annual Report. Our manager, RMR LLC, has taken various actions in response to the COVID-19 pandemic to address its operating and financial impact on us. In addition, we are continuing to closely monitor the impact of the COVID-19 pandemic on all aspects of our business. For more information regarding these actions and monitoring activities, see our 2020 Annual Report.

Management agreements and leases. At September 30, 2021, we owned 304 hotels operated under six agreements. We leased these hotels to our wholly owned TRSs that are managed by hotel operating companies. We own 794 service-oriented properties with 175 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 (loss) include hotel operating revenues and hotel operating expenses from our managed hotels and rental income and other operating expenses from our leased hotels and net lease properties.

In February and March 2021, we transitioned the branding and management of 88 hotels to Sonesta from Marriott, in June 2021, we transitioned the branding and management of five hotels to Sonesta from Hyatt and on November 1, 2021, we transitioned the branding and management of one hotel to Sonesta from Radisson. For further information regarding these transitions, see Note 5 to our condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

On June 7, 2021, we and Hyatt amended our Hyatt agreement. Under our amended Hyatt agreement, Hyatt will continue to manage 17 of the 22 hotels we own for a 10-year term effective April 1, 2021. For further information regarding our amended Hyatt agreement, see Note 5 to our condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

On November 1, 2021, we and Radisson amended our Radisson agreement. Under our amended Radisson agreement, Radisson will continue to manage eight of the nine hotels we own for a 10-year term effective August 1, 2021. For further information regarding our amended Radisson agreement, see Note 5 to our condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Hotel Portfolio. As of September 30, 2021, we owned 304 hotels. In the three and nine months ended September 30, 2021, the U.S. hotel industry generally realized increases in average daily rate, or ADR, revenue per available room, or RevPAR, and occupancy compared to the corresponding 2020 periods. During the quarter ended September 30, 2021, our hotel portfolio produced aggregate quarter over quarter increases in ADR, RevPAR and occupancy. The following table provides a summary for all our hotels of these revenue metrics for the periods presented which we believe are key indicators of performance at our hotels.

	Three Months Ended September 30,								Nine Months Ended September 30,					
	2021			2020			Change		2021			2020		Change
All Hotels														
No. of hotels		304			329		(25)			304			329	(25)
No. of rooms or suites		48,439			51,404		(2,965)			48,439			51,404	(2,965)
Occupancy		60.1	%		43.6	%	16.5	pts		52.2	%		42.7 %	9.5
ADR	$	114.55		$	89.88		27.4	%	$	102.84		$	103.30	(0.4)
RevPAR	$	68.84		$	39.19		75.7	%	$	53.68		$	44.11	21.7

Comparable hotels data. We present RevPAR, 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 September 30, 2021 and 2020, our comparable results exclude 12 hotels that had suspended operations during part of the periods presented. For the nine months ended September 30, 2021 and 2020, SVC's comparable results exclude 22 hotels that had suspended operations during part of the periods presented. The following table provides a summary of these revenue metrics for the periods presented.

	Three Months Ended September 30,								Nine Months Ended September 30,					
	2021			2020			Change		2021			2020		Change
Comparable Hotels														
No. of hotels		292			292		—			282			282	—
No. of rooms or suites		45,020			45,020		—			42,292			42,292	—
Occupancy		60.9	%		45.5	%	15.4	pts		53.5	%		44.9 %	8.6
ADR	$	111.18		$	90.87		22.4	%	$	95.50		$	100.17	(4.7)
RevPAR	$	67.71		$	41.35		63.7	%	$	51.09		$	44.98	13.6

We believe these results are primarily due to the improved lodging fundamentals in the current year periods and disruption and displacement at certain of our hotels as a result of the COVID-19 pandemic that negatively affected results in the prior year periods.

Net Lease Portfolio. As of September 30, 2021, we owned 794 service-focused retail net lease properties with 13,574,656 square feet leased to 175 tenants subject to “triple net” leases (where the tenants are responsible for payments of operating expenses and capital expenditures) requiring annual minimum rent of $370,945. Our net lease portfolio was 98.2% occupied as of September 30, 2021 with a weighted (by annual minimum rent) lease term of 10.3 years, operating under 134 brands in 21 distinct industries. TA is our largest tenant. As of September 30, 2021, we leased 179 travel centers to TA under five master leases that expire between 2029 and 2035 and require annual minimum rents of $246,111.

Additional details of our hotel operating agreements and our net lease agreements are set forth in Notes 5 and 9 to our condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q and in the tables and notes thereto below.

Acquisitions and Dispositions. In March 2021, we acquired a land parcel adjacent to a property we own in Nashville, TN for a purchase price of $7,709, including acquisition related costs.

During the nine months ended September 30, 2021, we sold six hotels with 576 rooms for $32,016, excluding closing costs, and five net lease properties with 44,680 square feet for $2,705, excluding closing costs. In October 2021, we sold one net lease property with 7,070 rentable square feet for a sales price of $915, excluding closing costs.

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

Three Months Ended September 30, 2021 compared to the Three Months Ended September 30, 2020

	For the Three Months Ended September 30,			
	2021	2020	Increase (Decrease)	% Increase (Decrease)
Revenues:				
Hotel operating revenues	$ 338,375	$ 199,719	$ 138,656	69.4 %
Rental income - hotels	—	674	(674)	(100.0) %
Rental income - net lease	98,724	96,102	2,622	2.7 %
Total revenues	437,099	296,495	140,604	47.4 %
Expenses:				
Hotel operating expenses	285,233	174,801	110,432	63.2 %
Other operating expenses	4,437	3,705	732	19.8 %
Depreciation and amortization - hotels	66,065	64,517	1,548	2.4 %
Depreciation and amortization - net lease	58,098	57,687	411	0.7 %
Total depreciation and amortization	124,163	122,204	1,959	1.6 %
General and administrative	14,231	12,295	1,936	15.7 %
Transaction related costs	3,149	—	3,149	n/m
Loss on asset impairment	—	10,248	(10,248)	(100.0) %
Total expenses	431,213	323,253	107,960	33.4 %
Other operating income:				
Gain on sale of real estate, net	94	109	(15)	(13.8) %
Unrealized gain on equity securities, net	24,348	5,606	18,742	334.3 %
Interest income	203	6	197	3,283.3 %
Interest expense	(92,458)	(80,532)	(11,926)	14.8 %
Loss before income taxes and equity in earnings (losses) of an investee	(61,927)	(101,569)	39,642	(39.0) %
Income tax benefit	55	296	(241)	(81.4) %
Equity in earnings (losses) of an investee	2,158	(1,369)	3,527	(257.6) %
Net loss	$ (59,714)	$ (102,642)	$ 42,928	41.8 %
Weighted average shares outstanding (basic and diluted)	164,590	164,435	155	0.1 %
Net loss per common share (basic and diluted)	$ (0.36)	$ (0.62)	$ 0.26	(41.9) %

References to changes in the income and expense categories below relate to the comparison of consolidated results for the three months ended September 30, 2021, compared to the three months ended September 30, 2020.

Hotel operating revenues. The increase in hotel operating revenues is primarily as a result of higher occupancies and average rates at certain of our hotels in the 2021 period and the negative impact the COVID-19 pandemic had on our hotels in the 2020 period ($146,353), partially offset by the sale of certain hotels since July 1, 2020 ($7,697). Additional operating statistics of our hotels are included in the table on page 23.

Rental income - hotels. The decrease in rental income – hotels is primarily the result of the conversion of one hotel from a leased to managed property during 2020.

Rental income - net lease. The increase in rental income - net lease is primarily the result of the reduction of reserves for uncollectible amounts in the 2021 period as compared to an increase in reserves for uncollectible amounts in the 2020 period ($7,743), partially offset by certain vacancies and lease restructurings ($3,610).

Hotel operating expenses. The increase in hotel operating expenses is primarily a result of an increase in occupancy at certain managed hotels ($36,343), an increase in wages and benefits ($31,901), an increase in utilities and management fees ($14,957) and a decrease in the amount of guaranty and security deposit utilization under certain of our hotel management agreements ($30,474), partially offset by the sale of certain hotels since July 1, 2020 ($3,243).

Other operating expenses. The increase in other operating expenses is primarily the result of higher carrying costs at vacant properties.

Depreciation and amortization - hotels. The increase in depreciation and amortization - hotels is a result an increase in depreciation expense from capital improvements made since July 1, 2020 ($2,429), partially offset by the sale of certain hotels and certain of our depreciable assets becoming fully depreciated since July 1, 2020 ($881).

Depreciation and amortization - net lease. The increase in depreciation and amortization - net lease is primarily the result of an increase in depreciation expense from capital improvements made since July 1, 2020 ($717), partially offset by the sale of certain net lease properties since July 1, 2020 and certain of our depreciable assets becoming fully depreciated since July 1, 2020 ($306).

General and administrative. The increase in general and administrative costs is primarily due to an increase in business management fees as a result of an increase in our market capitalization ($2,152), partially offset by a decrease in professional service expenses ($134) in the 2021 period.

*Transaction related cos*ts. Transaction related costs for the three months ended September 30, 2021 are primarily related to our arbitration proceedings with Marriott.

Loss on asset impairment. We recorded a $10,248 loss on asset impairment during the three months ended September 30, 2020 to reduce the carrying value of one hotel and two net lease properties to their estimated fair value less costs to sell.

Gain on sale of real estate, net. We recorded a $94 net gain on sale of real estate during the three months ended September 30, 2021 in connection with the sale of two net lease properties and a $109 net gain on sale of real estate during the three months ended September 30, 2020 in connection with the sales of five net lease properties.

Unrealized gain on equity securities, net. Unrealized gain on equity securities, net represents the adjustment required to adjust the carrying value of our investment in shares of TA common stock to its fair value as of September 30, 2021 and 2020.

Interest income. The increase in interest income is due to higher average cash balances during the 2021 period.

Interest expense. The increase in interest expense is due to higher average outstanding borrowings and a higher weighted average interest rate in the 2021 period.

Income tax benefit. The decrease in income tax benefit is primarily due to a decrease in our net state tax benefit during the 2021 period, partially offset by foreign sourced income tax expense.

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

Net loss. Our net loss and net loss per common share (basic and diluted) each decreased in the 2021 period compared to the 2020 period primarily due to the revenue and expense changes discussed above.

Nine Months Ended September 30, 2021 compared to the Nine Months Ended September 30, 2020

	For the Nine Months Ended September 30,			
	2021	2020	Increase (Decrease)	% Increase (Decrease)
Revenues:				
Hotel operating revenues	$ 787,463	$ 700,578	$ 86,885	12.4 %
Rental income - hotels	700	3,246	(2,546)	(78.4) %
Rental income - net lease portfolio	286,042	291,387	(5,345)	(1.8) %
Total revenues	1,074,205	995,211	78,994	7.9 %
Expenses:				
Hotel operating expenses	723,769	492,906	230,863	46.8 %
Other operating expenses	11,758	11,029	729	6.6 %
Depreciation and amortization - hotels	200,772	199,955	817	0.4 %
Depreciation and amortization - net lease portfolio	169,436	177,602	(8,166)	(4.6) %
Total depreciation and amortization	370,208	377,557	(7,349)	(1.9) %
General and administrative	40,840	37,621	3,219	8.6 %
Transaction related costs	28,934	—	28,934	n/m
Loss on asset impairment	2,110	55,502	(53,392)	96.2 %
Total expenses	1,177,619	974,615	203,004	20.8 %
Other operating income:				
Gain (loss) on sale of real estate, net	10,934	(9,655)	20,589	213.2 %
Gain on insurance settlement	—	62,386	(62,386)	(100.0) %
Unrealized gain on equity securities, net	20,367	4,409	15,958	(361.9) %
Interest income	485	283	202	71.4 %
Interest expense	(273,227)	(223,679)	(49,548)	(22.2) %
Loss on early extinguishment of debt	—	(6,970)	6,970	100.0 %
Income before income taxes and equity in losses of an investee	(344,855)	(152,630)	(192,225)	n/m
Income tax expense	(1,009)	(16,706)	15,697	n/m
Equity in earnings (losses) of an investee	50	(4,305)	4,355	n/m
Net loss	$ (345,814)	$ (173,641)	$ (172,173)	n/m
Weighted average shares outstanding (basic and diluted)	164,532	164,397	135	0.1 %
Net loss per common share (basic and diluted)	$ (2.10)	$ (1.06)	$ (1.04)	n/m

References to changes in the income and expense categories below relate to the comparison of consolidated results for the nine months ended September 30, 2021, compared to the nine months ended September 30, 2020.

Hotel operating revenues. The increase in hotel operating revenues is a result of higher occupancies and higher average rates at certain of our hotels in the 2021 period and the negative impact the COVID-19 pandemic had on our hotels in the 2020 period ($108,635), partially offset by the sale of certain of our hotels since January 1, 2020 ($21,751). Additional operating statistics of our hotels are included in the table on page 23.

Rental income - hotels. The decrease in rental income - hotels is primarily a result of the conversion of one hotel from a leased to managed property during 2020.

Rental income - net lease portfolio. The decrease in rental income - net lease is primarily the result of the sale of certain net lease properties since January 1, 2020 ($5,408) and the result of certain vacancies and lease restructurings ($4,996), partially offset by the net reduction of reserves for uncollectible amounts in the 2021 period ($5,019).

Hotel operating expenses. The increase in hotel operating expenses is primarily the result of an increase in occupancy at certain managed hotels ($23,038), an increase in management fees ($22,994) and a decrease in the amount of guaranty and security deposit utilization under certain of our hotel management agreements ($206,436), partially offset by the sale of certain hotels since January 1, 2020 ($10,287) and a decrease in wages and benefits ($10,490).

Other operating expenses. The increase in other operating expenses is primarily the result of higher carrying costs at vacant properties.

Depreciation and amortization - hotels. The increase in depreciation and amortization - hotels is the result of an increase in depreciation expense from capital improvements made since January 1, 2020 ($4,640), partially offset by the sale of certain hotels and certain of our depreciable assets becoming fully depreciated since January 1, 2020 ($3,911).

Depreciation and amortization - net lease portfolio. The decrease in depreciation and amortization - net lease portfolio is a result of the depreciation and amortization of properties that were sold since January 1, 2020 ($3,220) and by certain of our depreciable assets becoming fully depreciated since January 1, 2020 ($4,946).

General and administrative. The increase in general and administrative costs is primarily due to higher business management fees as a result of an increase in our market capitalization ($2,070), partially offset by lower professional fees ($787) in the 2021 period.

*Transaction related cos*ts. Transaction related costs for the nine months ended September 30, 2021 included $19,971 of hotel manager transition related costs related to rebranding certain hotels, $5,263 of legal costs related to the arbitration proceedings with Marriott and $3,700 of working capital we previously funded under our Hyatt agreement as a result of the amount no longer being expected to be recoverable.

Loss on asset impairment. We recorded a $2,110 loss on asset impairment during the nine months ended September 30, 2021 to reduce the carrying value of five net lease properties to their estimated fair value less costs to sell. We recorded a $55,502 loss on asset impairment during the nine months ended September 30, 2020 to reduce the carrying value of 18 hotels and eight net lease properties to their estimated fair value.

Gain (loss) on sale of real estate, net. We recorded a $10,934 net gain on sale of real estate in the 2021 period in connection with the sales of six hotels and five net lease properties and a $9,655 net loss on sale of real estate in connection with the sales of 15 net lease properties during the nine months ended September 30, 2020.

Gain on insurance settlement. In the 2020 period we recorded a $62,386 gain on insurance settlement as a result of insurance proceeds received for our then leased hotel in San Juan, PR related to Hurricane Maria.

Unrealized gain on equity securities, net. Unrealized gain on equity securities, net represents the adjustment required to adjust the carrying value of our investment in shares of TA common stock to its fair value as of September 30, 2021 and 2020.

Interest income. The increase in interest income is due to higher average cash balances during the 2021 period.

Interest expense. The increase in interest expense is due to higher average outstanding borrowings and weighted average interest rates in the 2021 period.

Loss on early extinguishment of debt. Loss on early extinguishment of debt represents losses incurred in the 2020 period for our repurchase of certain unsecured senior notes.

Income tax expense. We recorded a $15,650 deferred tax liability as a result of the book value to tax basis difference related to the accounting of an insurance settlement in the 2020 period.

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

Net loss. Our net loss and net loss per common share (basic and diluted) each increased in the 2021 period compared to the 2020 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 September 30, 2021, all 304 of our hotels were managed by five hotel operating companies pursuant to six combination portfolio agreements. Our 794 net lease properties were leased to 175 tenants as of September 30, 2021. The costs of operating and maintaining our properties are generally paid by the hotel managers as agents for us or by our tenants for their own account. Our hotel managers and tenants 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. As of September 30, 2021, our hotel managers included Sonesta (261 hotels), Hyatt (17 hotels), Radisson (nine hotels), Marriott (16 hotels) and IHG (one hotel). TA is our largest tenant (179 travel centers).

The COVID-19 pandemic has had a material and adverse effect on the lodging and service industries and on our hotel managers' and tenants' businesses, which may reduce their ability or willingness to pay us our minimum returns and rents, increase the likelihood they will default in paying us returns and rent and reduce the value of those properties. We continue to carefully monitor the effects of the COVID-19 pandemic and its impact on our operators and our other stakeholders.

As of January 1, 2021, Marriott managed 105 of our hotels under agreements we had terminated in 2020 for Marriott's failure to pay the cumulative shortfall between the payments we had received and 80% of the cumulative priority returns due to us in accordance with the agreement. We transitioned the branding and management of 88 Marriott hotels to Sonesta in February 2021 and March 2021. We sold one Marriott hotel in April 2021. As of September 30, 2021, Marriott managed 16 of our hotels. For further information regarding this sale, see the Notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. We are in arbitration proceedings with Marriott regarding, among other things, the timing and characterization of certain payments made to us, including Marriott's assertion that we are required to refund $19,120 of minimum return advances made to us in 2020, and the validity of the timing of the termination of the Marriott agreements, including an exit hotel agreement which, if not terminated, would require us to sell the 16 hotels encumbered with a Marriott brand. We are also seeking repayment of certain working capital advances we made to Marriott during 2020. We have entered an agreement with Marriott regarding the 16 hotels noted above, pursuant to which we agreed to have these hotels remain Marriott branded hotels until the arbitration is resolved.

On June 7, 2021, we and Hyatt amended our Hyatt agreement. Under our amended Hyatt agreement, Hyatt will continue to manage 17 of the 22 hotels we own for a 10-year term effective April 1, 2021. Our amended Hyatt agreement sets our annual minimum return at $12,000, and Hyatt provided us with a new $30,000 limited guarantee for 75% of the aggregate annual minimum returns due to us beginning in 2023. Under our amended Hyatt agreement a management fee of 5% of gross room revenues payable to Hyatt will be an operating cost paid senior to our minimum return. Hyatt may also earn a 20% incentive management fee after payment of our annual minimum return and reimbursement of certain advances, if any. We agreed to fund approximately $50,000 of renovations that are expected to be completed by the end of 2022. We transitioned the branding and management of the remaining five hotels that Hyatt previously managed to Sonesta in June 2021.

On November 1, 2021, we and Radisson amended our Radisson agreement. Under our amended Radisson agreement, Radisson will continue to manage eight of the nine hotels we own for a 10-year term effective August 1, 2021. Our amended Radisson agreement sets our annual minimum return at $10,200 and Radisson has provided us with a new $22,000 limited guarantee for 75% of the aggregate annual minimum returns beginning in 2023. Under our amended Radisson agreement, a management fee of 5% of gross room revenues for each hotel operated under the Country Inn & Suites brand and a management fee of 3% of gross room revenues for each hotel managed under the Radisson Hotel brand payable to Radisson will be an operating cost paid senior to our minimum return. Radisson may also earn a 20% incentive management fee after payment of our annual minimum return and reimbursement of certain advances, if any. We also agreed to fund approximately $12,000 of renovations that are expected to be completed by the end of 2022. We transitioned the branding and management of the ninth hotel that Radisson previously managed to Sonesta on November 1, 2021.

During the three months ended September 30, 2021, we entered into a rent deferral agreement for $2,852 of rent with one net lease tenant. We had $10,827 of deferred rents outstanding related to 15 tenants who represent approximately 2.9% of our annualized rental income of our net lease retail portfolio as of September 30, 2021. Generally, the rent deferrals we have entered into are payable by the tenants over a 12 to 24 month period. We may 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 COVID-19 pandemic and its impact on 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. As a result of these uncertainties surrounding the COVID-19 pandemic and the duration and extent of the resulting economic conditions, we are unable to determine what the ultimate impact will be on our tenants and their ability and willingness to pay us rent and any additional impact this pandemic will have on our future cash flows. During the three months ended September 30, 2021 and 2020, we reduced our reserves for uncollectible amounts and increased rental income by $5,373 for the three months ended September 30, 2021 based on our assessment of collectibility and cash received from certain tenants. We recorded reserves for uncollectible amounts against rental income of $2,369 for the three months ended September 30, 2020, and $588 and $7,689 for the nine months ended September 30, 2021 and 2020, respectively. We had reserves for uncollectible rents of $16,434 and $18,230 as of September 30, 2021 and December 31, 2020, respectively, included in other assets in our condensed consolidated balance sheets.

We define net lease coverage as 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. EBITDAR amounts used to determine rent coverage are generally for the latest twelve month period reported based on the most recent operating information, 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. Tenants that do not report operating information are excluded from the coverage calculations. In instances where we do not have financial information for our portion of the measurement period from our tenants, we have calculated an implied EBITDAR for the period using industry benchmark data to more accurately reflect the current operating trends. As a result, we believe using this industry benchmark data provides a more reasonable estimated representation of recent operating results and coverage for those tenants. Our net lease properties generated coverage of 2.37x and 2.12x as of September 30, 2021 and 2020, respectively.

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 and rents from our hotels 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 we have sufficient liquidity to withstand the current decline in operating cash flow, fund our capital expenditures, pay debt service obligations and make distributions to our shareholders for the next twelve months and for the foreseeable future thereafter. However, 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 revenue, cash flow, and net income could decline. Under the challenging operating environment posed by the COVID-19 pandemic and the slowdown in U.S. economic activity and lodging demand beginning in March 2020, we have taken steps to preserve liquidity by drawing down the remaining capacity on our $1,000,000 revolving credit facility, maintaining our quarterly distribution to our shareholders at $0.01 per share, which we expect to continue at that rate for the foreseeable future, subject to applicable REIT tax requirements, by selectively making capital expenditures, and by continuing to work with our hotel operators to reduce hotel operating expenses. We intend to use available cash in the near term predominantly to fund any operating losses at our hotels, to pay corporate expenses, including debt service, fund capital expenditures, and to pay distributions to our shareholders. As of September 30, 2021, we were not in compliance with one of our debt covenants necessary to incur additional debt, and as a result, we will not be able to incur additional debt until we satisfy that covenant. We may access equity markets or seek other sources of capital if favorable conditions exist for us in order to enhance our liquidity, reduce debt and to fund cash needs.

The following is a summary of our sources and uses of cash flows for the periods presented (dollars in thousands):

	Nine Months Ended September 30,	
	2021	2020
Cash and cash equivalents and restricted cash at the beginning of the period	$ 91,456	81,259
Net cash provided by (used in):		
Operating activities	1,002	65,524
Investing activities	(87,352)	(99,520)
Financing activities	909,083	38,714
Cash and cash equivalents and restricted cash at the end of the period	$ 914,189	$ 85,977

The change from cash flows provided by operating activities in the 2020 period to cash flows used in operating activities in the 2021 period is primarily due to lower returns earned from our hotel portfolio and higher interest expense in the 2021 period. The decrease in cash flows used in investing activities in the 2021 period is primarily due to a decrease in hotel managers' purchases with restricted cash and a decrease in real estate dispositions in the 2021 period, partially offset by an investment in Sonesta we made in the 2021 period and our receipt of a hotel manager's deposit of insurance proceeds into restricted cash during the 2020 period. The increase in cash provided by financing activities for the 2021 period as compared to the prior year period is primarily due to a draw down of the remaining capacity on our $1,000,000 revolving credit facility, a decrease in net senior notes issuances and lower common share distributions compared to the 2020 period.

We maintain our qualification for taxation as a REIT under the IRC by meeting certain requirements. We lease 304 hotels to our wholly owned TRSs that are managed by hotel operating companies. 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. We own all the FF&E escrows for our hotels. During the nine months ended September 30, 2021, our hotel managers and tenants deposited $2,861 to these accounts and spent $23,692 from the FF&E reserve escrow accounts to renovate and refurbish our hotels. As of September 30, 2021, there was $1,657 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 agreed to temporarily suspend the required contribution to our FF&E reserves under certain of our agreements. As a result, less cash will be available to us to fund future capital improvements and we may be required to provide additional fundings that may have otherwise been available in escrowed FF&E reserves. Such fundings are unlikely to materially increase in the near term above what we currently expect, as reduced occupancies are resulting in less usage and less wear and tear of our properties.

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. During the nine months ended September 30, 2021, we funded $72,432 for capital improvements in excess of FF&E reserves available to our hotels. We currently expect to fund $30,000 for capital improvements to certain hotels during the last three months of 2021 using cash on hand.

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 $786 of capital improvements to properties under these lease provisions during the nine months ended September 30, 2021. Tenants are not obligated to request and we are not obligated to purchase any such improvements. As of September 30, 2021, we had $4,610 of unspent leasing-related obligations related to certain net lease tenants.

In March 2021, we funded a $25,443 capital contribution to Sonesta related to its acquisition of Red Lion Hotels Corporation using cash on hand.

In March 2021, we acquired a parcel of land adjacent to a property we own in Nashville, TN for a purchase price of $7,709 using cash on hand, including acquisition related costs of $109.

During the nine months ended September 30, 2021, we sold six hotels with an aggregate of 576 rooms for net proceeds of $31,214 in two separate transactions and we also sold five net lease properties with 44,680 square feet for net proceeds of $2,705. We used the net proceeds from these sales to repay amounts outstanding under our revolving credit facility and for general business purposes. In October 2021, we sold one net lease property with 7,070 rentable square feet for a sales price of $915, excluding closing costs.

We are currently marketing for sale 68 Sonesta branded hotels (46 extended stay hotels with 5,404 rooms or suites, 19 select service hotels with 2,461 rooms or suites and three full service hotels with 895 rooms or suites) located in 27 states with an aggregate net carrying value of $578,982 as of September 30, 2021. We expect these sales to be completed by the end of the first quarter of 2022. We also entered into agreements to sell four net lease properties with an aggregate of 14,630 square feet and an aggregate carrying value of $1,788 for an aggregate sales price of $2,275, excluding closing costs. We currently expect these sales to be completed by the end of the fourth quarter of 2021. We expect to use the net sales proceeds from these sales for general business purposes or to repay debt.

During the nine months ended September 30, 2021, we declared and paid regular quarterly distributions to common shareholders using cash on hand as follows:

Declaration Date	Record Date	Paid Date	Dividend Per Common Share	Total Distributions
January 14, 2021	January 25, 2021	February 18, 2021	$ 0.01	$ 1,648
April 15, 2021	April 26, 2021	May 20, 2021	0.01	1,648
July 15, 2021	July 26, 2021	August 19, 2021	0.01	1,648
			$ 0.03	$ 4,944

On October 14, 2021, we declared a regular quarterly distribution to common shareholders of record on October 25, 2021 of $0.01 per share, or $1,651. We expect to pay this amount on or about November 18, 2021 using cash on hand.

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 which is 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 as noted below, we have an option to extend the maturity date of this facility by two additional six-month periods. We are required to pay interest at the rate of LIBOR plus a premium, which was 235 basis points per annum, subject to a LIBOR floor of 0.50% at September 30, 2021, 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 30 basis points per annum at September 30, 2021. Both the interest rate premium and the facility fee are subject to adjustment based upon changes to our credit ratings. We can borrow, subject to meeting certain financial covenants, repay and reborrow funds available under our revolving credit facility until maturity, and no principal repayment is due until maturity. As of September 30, 2021, the annual interest rate payable on borrowings under our revolving credit facility was 2.85%. On January 19, 2021, we borrowed $972,793 under our revolving credit facility as a precautionary measure to preserve financial flexibility. As of September 30, 2021, we were fully drawn under our $1,000,000 revolving credit facility and remain fully drawn as of November 3, 2021.

We and our lenders amended our credit agreement governing our $1,000,000 revolving credit facility in 2020. Among other things, the amendments waived all of the then existing financial covenants through the Waiver Period. As a result of the amendments, among other things:

- we pledged certain equity interests of subsidiaries owning properties and provided first mortgage liens on 74 properties owned by certain of the pledged subsidiaries with an undepreciated book value of $1,834,420 as of September 30, 2021 to secure our obligations under the credit agreement;
- we have the ability to fund up to $250,000 of capital expenditures per year and up to $50,000 of certain other investments per year as defined in the credit agreement;
- we agreed to certain covenants and restrictions on distributions to common shareholders, share repurchases, incurring indebtedness, and acquiring real property (in each case subject to various exceptions);

- we agreed to maintain minimum liquidity of $125,000;
- we are generally required to apply the net cash proceeds from the disposition of assets, capital markets transactions and debt refinancings to repay outstanding amounts under the credit agreement, and then to other debt maturities;
- in order to exercise the first six month extension option under the credit agreement, we would need to be in compliance with the financial covenants under the agreement calculated using pro forma projections as defined in the agreement for the quarter ending June 30, 2022, annualized, and have repaid or refinanced our $500,000 senior notes due in August 2022; and
- we may not, during the Waiver Period and until we demonstrate compliance with certain covenants, utilize the feature in our credit agreement pursuant to which maximum aggregate borrowings may be increased to up to $2,300,000 on a combined basis in certain circumstances.

Our term debt maturities (other than our revolving credit facility) as of September 30, 2021 were as follows:

Year	Maturity
2021	$ —
2022	500,000
2023	500,000
2024	1,175,000
2025	1,150,000
2026	800,000
2027	850,000
2028	400,000
2029	425,000
2030	400,000
	$ 6,200,000

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 (when available), net proceeds from any asset sales and net proceeds of offerings of equity or debt securities, as allowed by our existing credit agreement, to fund our operations, capital expenditures, future debt maturities, 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 when permitted under our debt agreements, 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 generally 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. Also, as noted above, we are limited in our ability to incur additional debt pursuant to our debt agreements and are not permitted under our debt agreements to incur any debt while below the 1.5x debt service coverage ratio requirement under our public debt covenants as described below.

Our ability to complete, and the costs associated with, future debt transactions depends primarily upon credit market conditions and our then perceived 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 COVID-19 pandemic and its impact on economic conditions 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.

Debt Covenants

Our debt obligations at September 30, 2021 consisted of outstanding borrowings under our $1,000,000 revolving credit facility and $6,200,000 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 currently restricts our ability to make certain investments and limits our 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 September 30, 2021, we believe we were in compliance with all of the covenants under our indentures and their supplements and our credit agreement, subject to the waivers and except as noted above and below.

Senior Notes Indenture Covenants

The following table summarizes the results of the financial tests required by the indentures and related supplements for our senior unsecured notes as of September 30, 2021:

	Actual Results	Covenant Requirement
Total debt / adjusted total assets	55.5%	Maximum of 60%
Secured debt / adjusted total assets	7.7%	Maximum of 40%
Consolidated income available for debt service / debt service	1.06x	Minimum of 1.50x
Total unencumbered assets / unsecured debt	179.5%	Minimum 150%

The above consolidated income available for debt service to debt service ratio as of September 30, 2021 is based on results for the nine months ended September 30, 2021 and the fourth quarter of 2020. This ratio was 1.06x as of September 30, 2021, which was below the required level and was 1.00x as of June 30, 2021, 1.12x as of March 31, 2021 and 1.56x as of December 31, 2020. We are not permitted under our debt agreements to incur additional debt while we remain below the required covenant level.

Acceleration and Cross-Default

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 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.

Supplemental Guarantor Information

Our $800,000 of 7.50% unsecured senior notes due 2025, or the 2025 Notes, and our $450,000 of 5.50% unsecured senior notes due 2027, or the 2027 Notes, are fully and unconditionally guaranteed, on a joint and several basis and on a senior unsecured basis, by all of our subsidiaries, except for certain excluded subsidiaries, including our foreign subsidiaries and our subsidiaries pledged under our credit agreement. The notes and the guarantees will be effectively subordinated to all of our and the subsidiary guarantors' secured indebtedness, respectively, to the extent of the value of the collateral securing such secured indebtedness, and will be structurally subordinated to all indebtedness and other liabilities and any preferred equity of any of our subsidiaries that do not guarantee the notes. Our remaining $4,950,000 of senior unsecured notes do not have the benefit of any guarantees.

A subsidiary guarantor's guarantee of the 2025 Notes and 2027 Notes and all other obligations of such subsidiary guarantor under the indentures governing the notes will automatically terminate and such subsidiary guarantor will automatically be released from all of its obligations under such subsidiary guarantee and such indenture under certain circumstances, including on or after the date on which (a) the notes have received a rating equal to or higher than Baa2 (or the equivalent) by Moody’s Investors Service, or Moody’s, or BBB (or the equivalent) by Standard & Poor’s, or S&P, or if Moody’s or S&P ceases to rate the notes for reasons outside of our control, the equivalent investment grade rating from any other rating agency and (b) no default or event of default has occurred and is continuing under the indenture. Our non-guarantor subsidiaries are separate and distinct legal entities and will have no obligation, contingent or otherwise, to pay any amounts due on these notes or the guarantees, or to make any funds available therefor, whether by dividend, distribution, loan or other payments. The rights of holders of these notes to benefit from any of the assets of our non-guarantor subsidiaries are subject to the prior satisfaction of claims of those subsidiaries' creditors and any preferred equity holders. As a result, these notes and the related guarantees will be structurally subordinated to all indebtedness, guarantees and other liabilities of our subsidiaries that do not guarantee these notes, including guarantees of or pledges under other indebtedness of ours, payment obligations under lease agreements, trade payables and preferred equity.

The following table presents summarized financial information for us and the subsidiary guarantors, on a combined basis after elimination of (i) intercompany transactions and balances among us and the subsidiary guarantors and (ii) equity in earnings from, and any investments in, any of our non-guarantor subsidiaries:

	As of September 30, 2021	As of December 31, 2020
Real estate properties, net[1]	$ 6,249,242	$ 5,871,790
Intercompany balances[2]	687,319	800,198
Other assets, net	1,675,530	677,408
Indebtedness, net	$ 7,139,787	$ 6,208,590
Other liabilities	398,649	341,907

	Nine Months Ended September 30, 2021
Revenues	$ 536,755
Expenses	617,225
Net income (loss)	(80,470)

(1) Real estate properties, net as of September 30, 2021 includes $303,962 of properties owned directly by us and not included in the assets of the subsidiary guarantors.

(2) Intercompany balances represent receivables from non-guarantor subsidiaries.

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

As of September 30, 2021, we owned and managed a diverse portfolio of hotels and net lease properties across the United States and in Puerto Rico and Canada with 146 brands across 22 industries.

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Hotel Portfolio

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

Comparable Hotels*				Occupancy			ADR			RevPAR		
				Three months ended September 30,			Three months ended September 30,			Three months ended September 30,		
Brand	**Service Level**	**No. of Hotels**	**No. of Rooms or Suites**	**2021**	**2020**	**Change**	**2021**	**2020**	**Change**	**2021**	**2020**	**Change**
Sonesta [1]	Full Service	21	6,880	54.2 %	35.6 %	18.6 pts	$ 143.06	$ 117.20	22.1 %	$ 77.54	$ 41.72	85.8
Royal Sonesta [1]	Full Service	10	3,370	41.4 %	20.4 %	21.0 pts	196.83	138.21	42.4 %	81.49	28.19	189.0
Radisson Hotel	Full Service	4	969	60.1 %	31.2 %	28.9 pts	114.25	91.24	25.2 %	68.66	28.47	141.2
Crowne Plaza	Full Service	1	495	51.1 %	29.9 %	21.2 pts	123.47	92.88	32.9 %	63.09	27.77	127.2
Country Inn and Suites	Full Service	3	430	62.4 %	29.1 %	33.3 pts	130.77	90.88	43.9 %	81.60	26.45	208.6
Radisson Blu	Full Service	1	360	34.9 %	14.1 %	20.8 pts	124.30	92.30	34.7 %	43.38	13.01	233.3
Full Service Total/Average		40	12,504	50.8 %	30.1 %	20.7 pts	150.64	116.78	29.0 %	76.53	35.15	117.7
Sonesta Select [1]	Select Service	63	8,888	42.2 %	28.7 %	13.5 pts	112.78	94.11	19.8 %	47.59	27.01	76.2
Hyatt Place	Select Service	17	2,107	66.7 %	47.1 %	19.6 pts	111.53	88.21	26.4 %	74.39	41.55	79.1
Courtyard	Select Service	13	1,813	61.1 %	32.1 %	29.0 pts	114.08	87.58	30.3 %	69.70	28.11	147.9
Select Service Total/Average		93	12,808	48.9 %	32.2 %	16.7 pts	112.73	91.77	22.8 %	55.12	29.55	86.5
Sonesta ES Suites [1]	Extended Stay	91	11,326	73.5 %	60.0 %	13.5 pts	107.09	96.96	10.4 %	78.71	58.18	35.3
Sonesta Simply Suites [1]	Extended Stay	65	8,040	78.6 %	70.3 %	8.3 pts	73.84	65.38	12.9 %	58.04	45.96	26.3
Residence Inn	Extended Stay	3	342	69.9 %	46.8 %	23.1 pts	118.37	102.45	15.5 %	82.74	47.95	72.6
Extended Stay Total/Average		159	19,708	75.4 %	64.0 %	11.4 pts	93.40	82.82	12.8 %	70.42	53.00	32.9
Comparable Hotels Total/Average		292	45,020	60.9 %	45.5 %	15.4 pts	$ 111.18	$ 90.87	22.4 %	$ 67.71	$ 41.35	63.7

Comparable Hotels*				Occupancy			ADR			RevPAR		
				Nine months ended September 30,			Nine months ended September 30,			Nine months ended September 30,		
Brand	**Service Level**	**No. of Hotels**	**No. of Rooms or Suites**	**2021**	**2020**	**Change**	**2021**	**2020**	**Change**	**2021**	**2020**	**Change**
Sonesta [1]	Full Service	18	6,110	45.2 %	38.0 %	7.2 pts	$ 112.69	$ 120.44	(6.4) %	$ 50.94	$ 45.77	11.3
Royal Sonesta [1]	Full Service	7	2,002	31.7 %	28.7 %	3.0 pts	159.52	152.79	4.4 %	50.57	43.85	15.3
Radisson Hotel	Full Service	4	969	50.9 %	36.5 %	14.4 pts	104.19	106.76	(2.4) %	53.03	38.97	36.1
Crowne Plaza	Full Service	1	495	46.6 %	28.9 %	17.7 pts	110.77	120.55	(8.1) %	51.62	34.84	48.2
Country Inn and Suites	Full Service	1	84	51.7 %	44.1 %	7.6 pts	88.16	83.54	5.5 %	45.58	36.84	23.7
Radisson Blu	Full Service	1	360	23.7 %	26.2 %	(2.5)pts	110.09	112.06	(1.8) %	26.09	29.36	(11.1)
Full Service Total/Average		32	10,020	42.4 %	35.2 %	7.2 pts	118.31	123.73	(4.4) %	50.16	43.55	15.2
Sonesta Select [1]	Select Service	63	8,888	35.7 %	31.2 %	4.5 pts	99.91	114.77	(12.9) %	35.67	35.81	(0.4)
Hyatt Place	Select Service	17	2,107	59.9 %	45.1 %	14.8 pts	99.56	96.61	3.1 %	59.64	43.57	36.9
Courtyard	Select Service	13	1,813	50.6 %	29.4 %	21.2 pts	101.10	96.05	5.3 %	51.16	28.24	81.2
Select Service Total/Average		93	12,808	41.8 %	33.2 %	8.6 pts	100.03	108.38	(7.7) %	41.81	35.98	16.2
Sonesta ES Suites [1]	Extended Stay	91	11,326	66.1 %	53.2 %	12.9 pts	97.64	104.83	(6.9) %	64.54	55.77	15.7
Sonesta Simply Suites [1]	Extended Stay	63	7,796	69.0 %	64.5 %	4.5 pts	69.19	70.95	(2.5) %	47.74	45.76	4.3
Residence Inn	Extended Stay	3	342	56.8 %	43.7 %	13.1 pts	109.29	105.99	3.1 %	62.08	46.32	34.0
Extended Stay Total/Average		157	19,464	67.1 %	57.5 %	9.6 pts	86.17	89.61	(3.8) %	57.82	51.53	12.2
Comparable Hotels Total/Average		282	42,292	53.5 %	44.9 %	8.6 pts	$ 95.50	$ 100.17	(4.7) %	$ 51.09	$ 44.98	13.6

* 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 September 30, 2021 and 2020, our comparable results excluded 12 hotels that had suspended operations during part of the periods presented and for the nine months ended September 30, 2021 and 2020, our comparable results excluded 22 hotels that had suspended operations during part of the periods presented.

*All Hotels**				Occupancy Three months ended September 30,			ADR Three months ended September 30,			RevPAR Three months ended September 30,		
Brand	Service Level	No. of Hotels	No. of Rooms or Suites	2021	2020	Change	2021	2020	Change	2021	2020	Change
Sonesta (1)	Full Service	25	8,040	52.8 %	30.8 %	22.0 Pts	$ 142.31	$ 117.19	21.4 %	$ 75.14	$ 36.09	108.2
Royal Sonesta (1)	Full Service	16	5,303	44.2 %	18.0 %	26.2 Pts	206.29	133.20	54.9 %	91.18	23.98	280.3
Radisson Hotel	Full Service	5	1,149	58.1 %	27.2 %	30.9 Pts	113.20	91.11	24.2 %	65.77	24.78	165.4
Crowne Plaza	Full Service	1	495	51.1 %	29.9 %	21.2 Pts	123.47	92.88	32.9 %	63.09	27.77	127.2
Country Inn and Suites	Full Service	3	430	62.4 %	29.1 %	33.3 Pts	130.77	90.88	43.9 %	81.60	26.45	208.6
Radisson Blu	Full Service	1	360	34.9 %	14.1 %	20.8 Pts	124.30	92.30	34.7 %	43.38	13.01	233.3
Full Service Total/Average		51	15,777	50.2 %	26.2 %	24.0 Pts	156.66	116.37	34.6 %	78.64	30.49	157.9
Sonesta Select (1)	Select Service	63	8,888	42.2 %	28.7 %	13.5 Pts	112.78	94.11	19.8 %	47.59	27.01	76.2
Hyatt Place	Select Service	17	2,107	66.7 %	47.1 %	19.6 Pts	111.53	88.21	26.4 %	74.39	41.55	79.1
Courtyard	Select Service	13	1,813	61.1 %	32.1 %	29.0 Pts	114.08	87.58	30.3 %	69.70	28.11	147.9
Select Service Total/Average		93	12,808	48.9 %	32.2 %	16.7 Pts	112.73	91.77	22.8 %	55.12	29.55	86.5
Simply ES Suites (1)	Extended Stay	92	11,472	73.2 %	59.4 %	13.8 Pts	107.26	96.89	10.7 %	78.51	57.55	36.4
Sonesta Simply Suites (1)	Extended Stay	65	8,040	78.6 %	70.3 %	8.3 Pts	73.84	65.38	12.9 %	58.04	45.96	26.3
Residence Inn	Extended Stay	3	342	69.9 %	46.8 %	23.1 Pts	118.37	102.45	15.5 %	82.74	47.95	72.6
Extended Stay Total/Average		160	19,854	75.3 %	63.6 %	11.7 Pts	93.58	82.80	13.0 %	70.47	52.66	33.8
All Hotels Total/Average		304	48,439	60.1 %	43.4 %	16.7 Pts	$ 114.55	$ 90.99	25.9 %	$ 68.84	$ 39.49	74.3

*All Hotels**				Occupancy Nine months ended September 30,			ADR Nine months ended September 30,			RevPAR Nine months ended September 30,		
Brand	Service Level	No. of Hotels	No. of Rooms or Suites	2021	2020	Change	2021	2020	Change	2021	2020	Change
Sonesta (1)	Full Service	25	8,040	45.2 %	35.3 %	9.9 Pts	$ 127.71	$ 126.15	1.2 %	$ 57.72	$ 44.53	29.6 %
Royal Sonesta (1)	Full Service	16	5,303	35.1 %	26.0 %	9.1 Pts	186.68	183.16	1.9 %	65.52	47.62	37.6 %
Radisson Hotel	Full Service	5	1,149	48.4 %	33.3 %	15.1 Pts	103.06	114.62	(10.1) %	49.88	38.17	30.7 %
Crowne Plaza	Full Service	1	495	46.6 %	28.9 %	17.7 Pts	110.77	120.55	(8.1) %	51.62	34.84	48.2 %
Country Inn and Suites	Full Service	3	430	48.8 %	26.7 %	22.1 Pts	110.59	103.60	6.7 %	53.97	27.66	95.1 %
Radisson Blu	Full Service	1	360	23.7 %	26.2 %	(2.5)Pts	110.09	112.06	(1.8) %	26.09	29.36	(11.1) %
Full Service Total/Average		51	15,777	41.8 %	31.6 %	10.2 Pts	140.33	138.91	1.0 %	58.66	43.90	33.6 %
Sonesta Select (1)	Select Service	63	8,888	42.2 %	31.2 %	11.0 Pts	99.91	114.77	(12.9) %	42.16	35.81	17.7 %
Hyatt Place	Select Service	17	2,107	66.7 %	45.1 %	21.6 Pts	99.56	96.61	3.1 %	66.41	43.57	52.4 %
Courtyard	Select Service	13	1,813	61.1 %	29.4 %	31.7 Pts	101.10	96.05	5.3 %	61.77	28.24	118.7 %
Select Service Total/Average		93	12,808	41.8 %	33.2 %	8.6 Pts	100.03	108.38	(7.7) %	41.81	35.98	16.2 %
Simply ES Suites (1)	Extended Stay	92	11,472	73.2 %	52.8 %	20.4 Pts	97.78	105.05	(6.9) %	71.57	55.47	29.0 %
Sonesta Simply Suites (1)	Extended Stay	65	8,040	78.6 %	63.6 %	15.0 Pts	68.81	70.69	(2.7) %	54.08	44.96	20.3 %
Residence Inn	Extended Stay	3	342	69.9 %	43.7 %	26.2 Pts	109.29	105.99	3.1 %	76.39	46.32	64.9 %
Extended Stay Total/Average		160	19,854	67.1 %	57.0 %	10.1 Pts	85.95	89.53	(4.0) %	57.67	51.03	13.0 %
All Hotels Total/Average		304	48,439	52.2 %	42.6 %	9.6 Pts	$ 102.84	$ 105.14	(2.2) %	$ 53.68	$ 44.79	19.8 %

* Results of all hotels owned as of September 31, 2021. Excludes the results of hotels sold during the periods presented.

(1) Includes operator data for periods prior to when certain hotels were managed by Sonesta.

Net Lease Portfolio

As of September 30, 2021, our net lease properties were 98.2% occupied and we had 30 properties available for lease. During the nine months ended September 30, 2021, we entered into lease renewals for 607,614 rentable square feet at weighted (by rentable square feet) average rents that were 11.6% below prior rents for the same space. The weighted (by rentable square feet) average lease term for these leases was 14.1 years. Also during the nine months ended September 30, 2021, we entered into new leases for an aggregate of 159,633 rentable square feet at weighted (by rentable square feet) average rents that were 36.9% below prior rents for the same space. The weighted (by rentable square feet) average lease term for these leases was 14.1 years.

As of September 30, 2021, our net lease tenants operated across more than 134 brands. The following table identifies the top ten brands based on investment.

	Brand	No. of Buildings	Investment (1) (3)	Percent of Total Investment (3)	Annualized Minimum Rent (2) (3)	Percent of Total Annualized Minimum Rent (2) (3)	Coverage (4)
1.	TravelCenters of America	134	$ 2,289,189	44.4 %	$ 168,012	45.3 %	2.19 x
2.	Petro Stopping Centers	45	1,021,226	19.8 %	78,099	21.1 %	1.90 x
3.	AMC Theatres	11	102,580	2.0 %	8,237	2.2 %	(0.16) x
4.	The Great Escape	14	98,242	1.9 %	7,140	1.9 %	1.70 x
5.	Life Time Fitness	3	92,617	1.8 %	5,770	1.6 %	0.62 x
6.	Buehler's Fresh Foods	5	76,536	1.5 %	5,657	1.5 %	5.90 x
7.	Heartland Dental	59	61,120	1.2 %	4,561	1.2 %	5.04 x
8.	Norms	10	53,673	1.0 %	1,584	0.4 %	0.47 x
9.	Express Oil Change	23	49,724	1.0 %	3,717	1.0 %	3.57 x
10.	Pizza Hut	42	47,641	0.9 %	3,341	0.9 %	1.59 x
11.	Other (5)	448	1,265,303	24.5 %	84,827	22.9 %	3.19 x
	Total	794	$ 5,157,851	100.0 %	$ 370,945	100.0 %	2.37 x

(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 September 30, 2021, we have six net lease properties with annual minimum rent of $214 classified as held for sale.

(4) See page 29 for our definition of coverage.

(5) Other includes 124 distinct brands with an average investment of $10,204 and average annual minimum rent of $684.

As of September 30, 2021, 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 (2) (3)	Coverage (4)
1.	TravelCenters of America	TravelCenters of America/ Petro Shopping Centers	179	$ 3,310,415	65.0 %	$ 246,110	66.4 %	2.10x (5)
2.	American Multi-Cinema, Inc.	AMC Theatres	11	102,580	2.0 %	8,237	2.2 %	-0.16x
3.	Universal Pool Co., Inc.	The Great Escape	14	98,242	1.9 %	7,140	1.9 %	1.70x
4.	Healthy Way of Life II, LLC	Life Time Fitness	3	92,617	1.8 %	5,770	1.6 %	0.62x
5.	Styx Acquisition, LLC	Buehler's Fresh Foods	5	76,536	1.5 %	5,657	1.5 %	5.90x
6.	Professional Resource Development, Inc.	Heartland Dental	59	61,120	1.2 %	4,561	1.2 %	5.04x
7.	Norms Restaurants, LLC	Norms	10	53,673	1.1 %	1,584	0.4 %	0.47x
8.	Express Oil Change, L.L.C.	Express Oil Change	23	49,724	1.0 %	3,717	1.0 %	3.57x
9.	Regal Cinemas, Inc.	Regal Cinemas	6	44,476	0.9 %	3,658	1.0 %	-0.08x
10.	Pilot Travel Centers LLC	Flying J Travel Plaza	3	41,681	0.8 %	3,183	0.9 %	4.03x
	Subtotal, top 10		313	3,931,064	77.2 %	289,617	78.1 %	2.12x
11.	Other (6)	Various	481	1,226,787	22.8 %	81,328	21.9 %	3.26x
	Total		794	$ 5,157,851	100.0 %	$ 370,945	100.0 %	2.37x

(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 September 30, 2021, we have six net lease properties with an annual minimum rent of $214 classified as held for sale.

(4) See page 29 for our definition of coverage.

(5) 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 five 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 (3.5% of non-fuel revenues above applicable base years). TA's remaining deferred rent obligation of $26,420 is being paid in quarterly installments of $4,404 through January 31, 2023.

(6) Other includes 165 tenants with an average investment of $7,435 and average annual minimum rent of $493.

As of September 30, 2021, our net lease tenants operated across 21 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	$ 3,352,096	65.0%	$ 249,293	67.2 %	2.12x
Restaurants-Quick Service	229	304,704	5.9%	20,418	5.5 %	2.71x
Restaurants-Casual Dining	56	203,339	3.9%	10,390	2.8 %	1.69x
Movie Theaters	22	190,725	3.7%	14,495	3.9 %	-0.03x
Health and Fitness	13	185,458	3.6%	10,747	2.9 %	1.04x
Grocery Stores	19	129,219	2.5%	9,123	2.5 %	5.23x
Home Goods and Leisure	20	118,899	2.3%	9,041	2.4 %	1.99x
Medical, Dental Office	71	118,098	2.3%	9,351	2.5 %	4.63x
Automotive Equipment & Services	64	98,473	1.9%	7,125	1.9 %	2.74x
Automotive Dealers	9	64,756	1.3%	5,358	1.4 %	7.08x
Entertainment	4	61,436	1.2%	4,334	1.2 %	1.76x
General Merchandise Stores	5	56,321	1.1%	3,892	1.0 %	3.14x
Educational Services	9	55,647	1.1%	4,376	1.2 %	1.53x
Building Materials	27	31,317	0.6%	2,608	0.7 %	4.20x
Car Washes	5	28,658	0.6%	2,128	0.6 %	1.76x
Miscellaneous Manufacturing	7	32,873	0.6%	2,445	0.7 %	15.56x
Drug Stores and Pharmacies	7	19,251	0.4%	1,258	0.3 %	1.61x
Sporting Goods	3	17,595	0.3%	1,070	0.3 %	3.73x
Legal Services	5	11,362	0.2%	1,097	0.3 %	-2.50x
Other	4	10,419	0.2%	2,210	0.6 %	5.47x
Dollar Stores	3	2,971	0.1%	186	0.1 %	3.59x
Vacant	30	64,234	1.2%	—	— %	n/a
Total	794	$ 5,157,851	100.0%	$ 370,945	100.0 %	2.37x

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

(2) As of September 30, 2021, we have six net lease properties with an annual minimum rent of $214 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 29 for our definition of coverage.

As of September 30, 2021, 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
2021	257,155	1,564	0.4%	0.4%
2022	346,255	3,191	0.9%	1.3%
2023	317,732	3,375	0.9%	2.2%
2024	788,158	11,787	3.2%	5.4%
2025	457,960	8,991	2.4%	7.8%
2026	952,723	11,260	3.0%	10.8%
2027	974,398	13,300	3.6%	14.4%
2028	553,330	9,649	2.6%	17.0%
2029	1,324,129	47,794	13.0%	30.0%
2030	144,290	4,203	1.1%	31.1%
2031	1,313,222	48,684	13.1%	44.2%
2032	1,266,322	53,229	14.4%	58.6%
2033	1,105,956	52,410	14.1%	72.7%
2034	104,508	3,719	1.0%	73.7%
2035	2,577,853	84,573	22.8%	96.5%
2036	291,408	4,878	1.3%	97.8%
2037	—	—	0.0%	97.8%
2038	44,484	1,048	0.3%	98.1%
2039	134,901	3,209	0.9%	99.0%
2040	33,233	153	0.0%	99.0%
2041	223,043	2,189	0.6%	99.6%
2042	57,499	155	0.0%	99.6%
2043	—	—	0.0%	99.6%
2044	—	—	0.0%	99.6%
2045	63,490	1,584	0.4%	100.0%
Total	13,332,049	$ 370,945	100%	

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

(2) As of September 30, 2021, we have six net lease properties with an annual minimum rent of $214 classified as held for sale.

As of September 30, 2021, shown below is the list of our top ten states based on annualized minimum rent 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	$ 32,291	8.7%
Ohio	1,302,273	26,439	7.1%
Illinois	1,016,187	26,103	7.0%
California	399,045	21,837	5.9%
Georgia	597,248	20,178	5.4%
Florida	538,130	16,114	4.3%
Arizona	476,651	16,847	4.5%
Indiana	606,839	16,994	4.6%
Pennsylvania	580,091	15,633	4.2%
Nevada	190,262	9,618	2.6%
Other	6,662,537	168,891	45.7%
	13,574,656	$ 370,945	100.0%

Related Person Transactions

We have relationships and historical and continuing transactions with RMR LLC, RMR Inc., TA and Sonesta and others related to them. For further information about these and other such relationships and related person transactions, see Notes 5, 8 and 9 to our Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, our 2020 Annual Report, our definitive Proxy Statement for our 2021 Annual Meeting of Shareholders and our other filings with the Securities and Exchange Commission, or SEC. In addition, see the section captioned “Risk Factors” in our 2020 Annual Report for a description of risks that may arise as a result of these and other related person transactions and relationships. 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 the 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 comprehensive income (loss). We consider these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with net income (loss). We believe these measures provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation and amortization expense, they may facilitate a comparison of our operating performance between periods and with other REITs.

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 adjustments to reflect our share of FFO attributable to an investee and certain other adjustments currently not applicable to us. In calculating Normalized FFO, we adjust for the items shown below. 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 satisfy our REIT distribution requirements, 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.

Our calculations of FFO and Normalized FFO for the three and nine months ended September 30, 2021 and 2020 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 September 30,		For the Nine Months Ended September 30,	
		2021	2020	2021	2020
Net loss		$ (59,714)	$ (102,642)	$ (345,814)	$ (173,641)
Add (Less):	Depreciation and amortization expense	124,163	122,204	370,208	377,557
	Loss on asset impairment (1)	—	10,248	2,110	55,502
	(Gain) loss on sale of real estate, net (2)	(94)	(109)	(10,934)	9,655
	Unrealized gains on equity securities, net (3)	(24,348)	(5,606)	(20,367)	(4,409)
	Adjustments to reflect our share of FFO attributable to an investee (4)	369	(900)	1,868	(461)
FFO		40,376	23,195	(2,929)	264,203
Add (less):	Loss on early extinguishment of debt (5)	—	—	—	6,970
	Gain on insurance settlement, net of tax (6)	—	—	—	(46,736)
	Adjustments to reflect our share of Normalized FFO attributable to an investee (4)	256	—	1,619	—
	Transaction related costs (7)	3,149	—	28,934	—
Normalized FFO		$ 43,781	$ 23,195	$ 27,624	$ 224,437
	Weighted average shares outstanding (basic and diluted) (8)	164,590	164,435	164,532	164,397
Basic and diluted per common share amounts:					
	Net loss	$ (0.36)	$ (0.62)	$ (2.10)	$ (1.06)
	FFO	$ 0.25	$ 0.14	$ (0.02)	$ 1.61
	Normalized FFO	$ 0.27	$ 0.14	$ 0.17	$ 1.37
	Distributions declared per share	$ 0.01	$ 0.01	$ 0.03	$ 0.56

(1) We recorded a $10,248 loss on asset impairment during the three months ended September 30, 2020 to reduce the carrying value of one hotel and two net lease properties to their estimated fair value less costs to sell. We recorded a $2,110 loss on asset impairment during the nine months ended September 30, 2021 to reduce the carrying value of five net lease properties to their estimated fair value less costs to sell and a $55,502 loss on asset impairment during the nine months ended September 30, 2020 to reduce the carrying value of 18 hotel properties and eight net lease properties to their estimated fair value less costs to sell.

(2) We recorded a $94 net gain on sale of real estate during the three months ended September 30, 2021 in connection with the sale of two net lease properties. We recorded a $109 net gain on sale of real estate during the three months ended September 30, 2020 in connection with the sale of five net lease properties. We recorded a $10,934 net gain on sale of real estate during the nine months ended September 30, 2021 in connection with the sale of six hotels and five net lease properties and recorded a net loss on sale of real estate of $9,655 during the nine months ended September 30, 2020 in connection with the sale of 15 net lease properties.

(3) Unrealized gains on equity securities, net represents the adjustment required to adjust the carrying value of our investment in shares of TA common stock to its fair value.

(4) Represents adjustments to reflect our proportionate share of FFO and normalized FFO related to our equity investment in Sonesta.

(5) We recorded a $6,970 loss on early extinguishment of debt, during the nine months ended September 30, 2020, related to the repurchase of certain of our senior notes.

(6) We recorded a $62,386 gain on insurance settlement, during the nine months ended September 30, 2020, for insurance proceeds received for our then leased hotel in San Juan, PR related to Hurricane Maria. Under GAAP, we were required to increase the building basis of this hotel for the amount of the insurance proceeds. We also recorded a $15,650 deferred tax liability as a result of the book value to tax basis difference related to this accounting during the nine months ended September 30, 2020.

(7) Transaction related costs for the three months ended September 30, 2021 of $3,149 are primarily related to legal costs related to our arbitration proceeding with Marriott. Transaction related costs for the nine months ended September 30, 2021 included $19,971 of hotel manager transition related costs resulting from the rebranding of 88 hotels during the period, $5,263 of legal costs related to our arbitration proceeding with Marriott and $3,700 of working capital we previously funded under our agreement with Hyatt as a result of the amount no longer expected to be recoverable.

(8) Represents weighted average common shares adjusted to reflect the potential dilution of unvested share awards, if any.

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, 2020. 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 September 30, 2021, our outstanding publicly tradable debt consisted of 13 issues of fixed rate, senior notes:

Principal Balance	Annual Interest Rate	Annual Interest Expense	Maturity	Interest Payments Due
$ 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
800,000	7.500 %	60,000	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
450,000	5.500 %	24,750	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
$ 6,200,000		$ 314,051		

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 $62,000. 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 September 30, 2021 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 $246,775.

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 September 30, 2021, our floating rate debt consisted of $1,000,000 outstanding under our $1,000,000 revolving credit facility. 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 by two additional six month periods. 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. Borrowings under our revolving credit facility 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, 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 September 30, 2021:

	Impact of Increase in Interest Rates			
	Interest Rate Per Year (1)	Outstanding Debt	Total Interest Expense Per Year	Annual Per Share Impact (2)
At September 30, 2021	2.85 %	$ 1,000,000	$ 28,500	$ 0.17
One percentage point increase	3.85 %	$ 1,000,000	$ 38,500	$ 0.23

(1) Weighted average based on the interest rates and the outstanding borrowings as of September 30, 2021.

(2) Based on diluted weighted average common shares outstanding for the three months ended September 30, 2021.

The foregoing table shows the impact of an immediate change in floating interest rates as of September 30, 2021. If interest rates were to change 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 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 for new contracts by December 31, 2021 and for pre-existing contracts by June 30, 2023. We are required to pay interest on borrowings under our credit facility 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, as a result of any phase out of LIBOR, the interest rates 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.

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 September 30, 2021 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 COVID-19 pandemic and its impact on us and our managers and tenants, and on our and their ability to operate throughout the pandemic and its aftermath,
- Our expectation about the ability of Sonesta to operate the hotels that have been or may be transitioned and rebranded to it,
- The likelihood and extent to which our managers and tenants will 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 any resulting economic conditions,
- If and when hotel business will return to historical pre-pandemic levels,
- 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,
- 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, Sonesta and TA,
- 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 any resulting economic conditions, and the capital markets on us and our managers and tenants,
- Competition within the real estate, hotel, transportation and travel center and other industries in which our managers and 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 man-made 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,
- Sonesta operated 261 of our 304 hotels as of September 30, 2021, many of which were transitioned to Sonesta over the past year, and we transitioned the branding and management of one additional hotel to Sonesta on November 1, 2021. Transitioning hotels to another operator is disruptive to the hotels' operations and requires significant capital investments. If Sonesta were to fail to provide quality services and amenities or to maintain a quality brand, our income from these properties may be adversely affected. There can be no assurance that Sonesta can operate the hotels as effectively or for returns at levels that could otherwise be achieved by other large well known hotel companies. Further, if we were required to replace Sonesta, we could experience significant disruptions in operations at the applicable properties, which could reduce our income and cash flows from, and the value of, those properties. We have no guarantee or security deposit under our Sonesta agreement. Accordingly, the returns we receive from our hotels managed under our Sonesta agreement are dependent upon the financial results of those hotel operations and we may continue to receive amounts from Sonesta that are less than the contractual minimum returns stated in our Sonesta agreement or we may be requested to fund operating losses for our Sonesta hotels. Further, we own an approximately 34% ownership interest in Sonesta. If Sonesta experiences losses, or requires additional capital, Sonesta may request we fund our share through the contribution of additional capital and if we do not fund those contributions, our equity interest in Sonesta will be diluted if Sonesta obtains such contributions from other shareholders,
- We cannot be sure of the future financial performance of our properties, or regarding our managers', tenants' or guarantors' future actions or their abilities or willingness to pay contracted amounts owed to us. If other operators or guarantors do not honor their obligations, we may seek to terminate our arrangements with them or other actions to enforce our rights,
- Recent improvements in lodging demand may not be sustained, may stall or could decline,
- 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,

- Hotel and other competitive forms of temporary lodging supply 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 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,
- 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 and that this diversity may improve operating results that might be realized from a more concentrated group of properties. However, our operator concentration with respect to our hotel operations has recently increased as a result of our transitioning of a majority of our hotels to Sonesta management, and our travel center properties continue to be concentrated with TA. As a result, our operating results may not improve,
- Current market conditions may cause the process of selling properties to continue to take longer than previously expected. We may not complete the sales of any properties we currently plan to sell, and we may determine to sell fewer properties. 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,
- Contingencies in our pending sale agreements may not be satisfied and any expected sales and any related management or lease arrangements we expect to enter may not occur, may be delayed or the terms of such transactions or arrangements may change,
- As of November 3, 2021, we had approximately $937.0 million of cash or cash equivalents. This statement may imply that we have sufficient working capital and liquidity to meet our obligations for the next twelve months. The amounts we receive from our operators may be insufficient to operate our business profitably. 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 and we may be required to fund hotel operating losses and working capital for our hotels. Further, our properties require significant funding for capital improvements and other matters. Accordingly, we may not have sufficient working capital or liquidity,
- Continued availability of borrowings under our revolving credit facility is subject to our satisfying certain financial covenants and other credit facility conditions. The ratio of income available for debt service to debt service was below the 1.5x requirement under our public debt covenants as of September 30, 2021. We are not permitted under our debt agreements to incur additional debt while this ratio is below 1.5x. As a precautionary measure, we have fully drawn our $1.0 billion credit facility to maintain our financial flexibility. Our ability to incur debt may be limited for an extended period of time. We cannot be certain how long our ratio of income available for debt service to debt service may remain below 1.5x. We may not have any immediately available borrowing capacity to meet any funding needs beyond our cash on hand if our operating results and financial condition are significantly and adversely impacted by current economic conditions or otherwise. If we cannot incur additional debt, we may be forced to raise additional sources of capital or take other measures to maintain adequate liquidity and we may not succeed in raising any capital we may need,
- We expect the borrowings under our revolving credit facility to strengthen our financial position; however, we may not obtain the financial flexibility we expect due to the ongoing COVID-19 pandemic or for other reasons. We can provide no assurance regarding the duration and severity of the economic conditions resulting from the COVID-19 pandemic and its impact on us and our operators,

- We may be unable to repay our debt obligations when they become due. Also, our $1,000,000 revolving credit facility matures on July 15, 2022 and we may not be able to meet the conditions required to exercise the extension option available to us under the agreement or be able to refinance the balance with new debt. We may need to seek additional waivers or amendments with our lenders and there is no assurance we will be granted such relief,
- 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 conditions. If challenging market conditions last for a long period or worsen, our managers 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,
- We currently expect to fund $30 million of capital expenditures during the last three months of 2021. The cost of capital projects may be greater than we anticipate and operating results at our hotels may decline as a result of having rooms out of service to complete such improvements,
- 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 premiums used to determine the interest rate and 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,
- We believe that our relationships with our related parties, including RMR LLC, 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, and
- We are party to arbitration proceedings with Marriott relating to our termination of our management agreements with them. The results of arbitration proceedings are difficult to predict and we can provide no assurances regarding such results. Even if we are successful in such proceedings, the pendency and conduct of such proceedings may be expensive and distracting to our management, and could be disruptive to our operations.

Currently unexpected results could occur due to many different circumstances, some of which are beyond our control, such as pandemics, including the COVID-19 pandemic, acts of terrorism, natural disasters, climate change, 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, our 2020 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

There have been no material changes to risk factors from those we previously disclosed in our 2020 Annual Report.

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 September 30, 2021:

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
September 2021	55,716	$ 10.70	$ —	$ —
Total	55,716	$ 10.70	$ —	$ —

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

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 Post-Effective Amendment No. 2 to Registration Statement on Form S-3, filed on July 15, 2020, File No. 333-226944.)
3.2	Articles Supplementary to the Declaration of Trust of the Company, dated June 10, 2020. (Incorporated by reference to the Company's Current Report on Form 8-K filed on June 10, 2020.)
3.3	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 filed on September 23, 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 filed on February 4, 2016.)
4.9	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 filed on February 4, 2016.)
4.10	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.)
4.11	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.)
4.12	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.)
4.13	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 filed on September 18, 2019.)
4.14	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 filed on September 18, 2019.)
4.15	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 filed on September 18, 2019.)
4.16	Ninth Supplemental Indenture, dated as of June 17, 2020, among the Company, certain subsidiaries of the Company named therein as guarantors and U.S. Bank National Association, relating to the Company's 7.50% Senior Notes due 2025, including form thereof. (Incorporated by reference to the Company's Current Report on Form 8-K filed on June 18, 2020.)

Exhibit Number	Description
4.17	Supplemental Indenture, dated as of July 15, 2020, among the Company, Highway Ventures Properties Trust, HPTWN Properties Trust, HPT Suite Properties Trust, SVCN 2 LLC and U.S. Bank National Association, relating to the Company's 7.50% Senior Notes due 2025. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020.)
4.18	Supplemental Indenture, dated as of October 9, 2020, among the Company, Banner NewCo LLC, SVCN 3 LLC and U.S. Bank National Association, relating to the Company's 7.50% Senior Notes due 2025. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020.)
4.19	Supplemental Indenture, dated as of November 13, 2020, among the Company, SVC Jersey City TRS LLC, SVC Morris Plains TRS LLC, SVC Nanuet TRS LLC, SVC NJ TRS LLC, SVC Randolph Street TRS LLC, SVC Redondo Beach TRS LLC and U.S. Bank National Association, relating to the Company's 7.50% Senior Notes due 2025. (Incorporated by reference to the Company's Current Report on Form 8-K filed on November 17, 2020.)
4.20	Supplemental Indenture, dated as of January 29, 2021, among the Company, SVC Gatehall Drive TRS LLC and U.S. Bank National Association, relating to the Company's 7.50% Senior Notes due 2025. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.)
4.21	Supplemental Indenture, dated as of July 8, 2021, among the Company, SVCN 1 LLC, SVCN 4 LLC and U.S. Bank National Association, relating to the Company's 7.50% Senior Notes due 2025. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021.)
4.22	Supplemental Indenture, dated as of October 28, 2021, among the Company, SVC Minneapolis TRS LLC and U.S. Bank National Association, relating to the Company's 7.50% Senior Notes due 2025. (Filed herewith)
4.23	Tenth Supplemental Indenture, dated as of November 20, 2020, among the Company, certain subsidiaries of the Company named therein as guarantors and U.S. Bank National Association, relating to the Company's 5.50% 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, 2020.)
4.24	Supplemental Indenture, dated as of January 29, 2021, among the Company, SVC Gatehall Drive TRS LLC and U.S. Bank National Association, relating to the Company's 5.50% Senior Notes due 2027. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.)
4.25	Supplemental Indenture, dated as of July 8, 2021, among the Company, SVCN 1 LLC, SVCN 4 LLC and U.S. Bank National Association, relating to the Company's 5.50% Senior Notes due 2027. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021.)
4.26	Supplemental Indenture, dated as of October 28, 2021, among the Company, SVC Minneapolis TRS LLC and U.S. Bank National Association, relating to the Company's 5.50% Senior Notes due 2027. (Filed herewith.)
4.27	Registration Rights and Lock-Up Agreement, dated as of June 5, 2015, among the Company, ABP Trust (f/k/a Reit Management & Research Trust) and Adam D. Portnoy. (Incorporated by reference to the Company's Current Report on Form 8-K filed on June 8, 2015.)
10.1	First Amendment to Second Amended and Restated Business Management Agreement, effective as of August 1, 2021, between the Company and The RMR Group LLC. (Filed herewith.)
10.2	Representative Form of Management Agreement between Sonesta International Hotels Corporation and Cambridge TRS, Inc. (Conversion Hotels) (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020.) (Schedule of applicable agreements filed herewith.)
10.3	Pooling Agreement, dated as of December 15, 2020, among Sonesta International Hotels Corporation, certain subsidiaries of the Company named therein as owners and certain subsidiaries of Sonesta International Hotels Corporation named therein as managers. (Conversion Hotels) (Filed herewith.)
22.1	List of Subsidiary Guarantors. (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.)
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.)

Exhibit Number	Description
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: November 4, 2021

/s/ Brian E. Donley
Brian E. Donley
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)
Dated: November 4, 2021

Supplemental Indenture

This Supplemental Indenture (this "*Supplemental Indenture*"), dated as of October 28, 2021, among SVC Minneapolis TRS LLC, a limited liability company formed and existing under the laws of the State of Maryland (the "*Additional Subsidiary Guarantor*"), a subsidiary of Service Properties Trust, a real estate investment trust organized and existing under the laws of the State of Maryland (the "*Company*"), the Company and U.S. Bank National Association, a national banking organization organized and existing under the laws of the United States (the "*Trustee*").

W I T N E S S E T H

WHEREAS, the Company (then known as Hospitality Properties Trust) and the Trustee are parties to an Indenture (the "*Base Indenture*"), dated as of February 3, 2016 (as supplemented by that certain Ninth Supplemental Indenture (the "*Ninth Supplemental Indenture*"), dated as of June 17, 2020, among the Company, the Initial Subsidiary Guarantors party thereto and the Trustee, providing for the issuance of the Company's 7.50% Senior Notes due 2025 (the "*Notes*"), as supplemented by that certain Supplemental Indenture, dated as of July 15, 2020, among the Company, the Subsidiary Guarantors party thereto and the Trustee, that certain Supplemental Indenture, dated as of October 9, 2020, among the Company, the Subsidiary Guarantors party thereto and the Trustee, that certain Supplemental Indenture, dated as of November 13, 2020, among the Company, the Subsidiary Guarantors party thereto and the Trustee, that certain Supplemental Indenture, dated as January 29, 2021, among the Company, the Subsidiary Guarantor party thereto and the Trustee and that certain Supplemental Indenture, dated as of July 8, 2021, among the Company, the Subsidiary Guarantors party thereto and the Trustee, and as from time to time hereafter further amended, supplemented or otherwise modified so far as it applies to the Notes, the "*Indenture*");

WHEREAS, the Indenture provides that under certain circumstances the Additional Subsidiary Guarantor shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Additional Subsidiary Guarantor will fully and unconditionally guarantee the Notes, jointly and severally with all of the other Subsidiary Guarantors, on the terms and conditions set forth herein;

WHEREAS, all acts and requirements necessary to make this Supplemental Indenture the legal, valid and binding obligation of the Company, the Additional Subsidiary Guarantor and the Trustee have been done; and

WHEREAS, pursuant to Section 901 of the Base Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Additional Subsidiary Guarantor and the Trustee mutually covenant and agree as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. Agreement to Guarantee. The Additional Subsidiary Guarantor hereby agrees that its obligations to the Holders and the Trustee pursuant to the Subsidiary Guarantee shall be as expressly set forth in Article 6 of the Ninth Supplemental Indenture and in such other provisions of the Indenture as are applicable to the Subsidiary Guarantors (including, without limitation, Article 3 of the Ninth Supplemental Indenture), and reference is made to the Indenture for the precise terms of this Supplemental Indenture. The terms of Article 6 of the Ninth Supplemental Indenture and such other provisions of the Indenture (including, without limitation, Article 3 of the Ninth Supplemental Indenture) as are applicable to the Subsidiary Guarantors are incorporated herein by reference.

3. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

4. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

5. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

6. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Additional Subsidiary Guarantor and the Company.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

COMPANY:

SERVICE PROPERTIES TRUST

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

ADDITIONAL SUBSIDIARY GUARANTOR:

SVC MINNEAPOLIS TRS LLC

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

TRUSTEE:

U.S. BANK, NATIONAL ASSOCIATION, as Trustee

By: /s/ David W. Doucette
Name: David W. Doucette
Title: Vice President

Supplemental Indenture

This Supplemental Indenture (this "*Supplemental Indenture*"), dated as of October 28, 2021, among SVC Minneapolis TRS LLC, a limited liability company formed and existing under the laws of the State of Maryland (the "*Additional Subsidiary Guarantor*"), a subsidiary of Service Properties Trust, a real estate investment trust organized and existing under the laws of the State of Maryland (the "*Company*"), the Company and U.S. Bank National Association, a national banking organization organized and existing under the laws of the United States (the "*Trustee*").

W I T N E S S E T H

WHEREAS, the Company (then known as Hospitality Properties Trust) and the Trustee are parties to an Indenture (the "*Base Indenture*"), dated as of February 3, 2016 (as supplemented by that certain Tenth Supplemental Indenture (the "*Tenth Supplemental Indenture*"), dated as of November 20, 2020, among the Company, the Initial Subsidiary Guarantors party thereto and the Trustee, providing for the issuance of the Company's 5.50% Senior Notes due 2027 (the "*Notes*"), as supplemented by that certain Supplemental Indenture, dated as of January 29, 2021, among the Company, the Subsidiary Guarantor party thereto and the Trustee and that certain Supplemental Indenture, dated as of July 8, 2021, among the Company, the Subsidiary Guarantors party thereto and the Trustee, and as from time to time hereafter further amended, supplemented or otherwise modified so far as it applies to the Notes, the "*Indenture*");

WHEREAS, the Indenture provides that under certain circumstances the Additional Subsidiary Guarantor shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Additional Subsidiary Guarantor will fully and unconditionally guarantee the Notes, jointly and severally with all of the other Subsidiary Guarantors, on the terms and conditions set forth herein;

WHEREAS, all acts and requirements necessary to make this Supplemental Indenture the legal, valid and binding obligation of the Company, the Additional Subsidiary Guarantor and the Trustee have been done; and

WHEREAS, pursuant to Section 901 of the Base Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Additional Subsidiary Guarantor and the Trustee mutually covenant and agree as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. Agreement to Guarantee. The Additional Subsidiary Guarantor hereby agrees that its obligations to the Holders and the Trustee pursuant to the Subsidiary Guarantee shall be as expressly set forth in Article 6 of the Tenth Supplemental Indenture and in such other provisions of the Indenture as are applicable to the Subsidiary Guarantors (including, without limitation,

Article 3 of the Tenth Supplemental Indenture), and reference is made to the Indenture for the precise terms of this Supplemental Indenture. The terms of Article 6 of the Tenth Supplemental Indenture and such other provisions of the Indenture (including, without limitation, Article 3 of the Tenth Supplemental Indenture) as are applicable to the Subsidiary Guarantors are incorporated herein by reference.

3. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

4. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

5. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

6. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Additional Subsidiary Guarantor and the Company.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

COMPANY:

SERVICE PROPERTIES TRUST

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

ADDITIONAL SUBSIDIARY GUARANTOR:

SVC MINNEAPOLIS TRS LLC

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

TRUSTEE:

U.S. BANK, NATIONAL ASSOCIATION, as Trustee

By: /s/ David W. Doucette
Name: David W. Doucette
Title: Vice President

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED BUSINESS MANAGEMENT AGREEMENT

This FIRST AMENDMENT TO SECOND AMENDED AND RESTATED BUSINESS MANAGEMENT AGREEMENT (this "Amendment"), effective as of August 1, 2021, is made and entered into by and between Service Properties Trust, a Maryland real estate investment trust (the "Company"), and The RMR Group LLC, a Maryland limited liability company (the "Manager").

WHEREAS, the Company and the Manager are parties to that certain Second Amended and Restated Business Management Agreement, dated as of June 5, 2015 (the "Business Management Agreement"); and

WHEREAS, the Company and the Manager wish to amend certain provisions of the Business Management Agreement as hereinafter provided;

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, the parties hereto agree as follows:

1. The definition of "SNL Index" included in Section 11 of the Business Management Agreement shall be replaced in its entirety by the following:

   "Index" shall mean (i) the SNL U.S. REIT Hotel Index, as published from time to time, for all periods ending prior to August 1, 2021 and (ii) the MSCI U.S. REIT/Hotel & Resort REIT Index, as published from time to time, for all periods beginning on or after August 1, 2021.

2. The Business Management Agreement shall be amended by deleting all references therein to "SNL Index" and replacing them with references to the "Index".

3. As amended hereby, the Business Management Agreement shall remain in full force and effect.

4. The provisions of this Amendment shall be governed by and construed in accordance with the laws of the State of Maryland.

5. This Amendment may be executed in separate counterparts, each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their respective duly authorized officers, as of the date first written above.

SERVICE PROPERTIES TRUST

By: /s/ John G. Murray
Name: John G. Murray
Title: President and Chief Executive Officer

THE RMR GROUP LLC

By: /s/ Matthew P. Jordan
Name: Matthew P. Jordan
Title: Executive Vice President, Chief Financial Officer and Treasurer

Exhibit 10.2

Schedule to Exhibit 10.2

There are 209 management agreements with subsidiaries of Sonesta Holdco Corporation, or Sonesta, for hotels which we and Sonesta have designated as conversion hotels, a representative form of which is filed as Exhibit 10.6 to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 and which is incorporated herein by reference. The other 208 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 management agreement.

Owner	Name/Trade Name and Street Address	Landlord	Manager	Level	Effective Date	Owner's Priority
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Birmingham 600 Corporate Ridge Dr Birmingham, Alabama	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$844,082
HPT TRS MRP, Inc.	Sonesta ES Suites Birmingham Homewood 50 State Farm Parkway Birmingham, Alabama	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$1,233,054
HPT TRS MRP, Inc.	Sonesta Select Birmingham 4300 Colonade Parkway Birmingham, Alabama	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$1,164,193
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Huntsville 201 Exchange Pl, Huntsville, Alabama	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$878,991
HPT TRS MRP, Inc.	Sonesta Select Phoenix Chandler 920 North 54th Street Chandler, Arizona	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$1,741,464
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Phoenix 11411 N. Black Canyon Hwy Phoenix, Arizona	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$798,056

HPT CY TRS, Inc.	Sonesta Select Phoenix Camelback 2101 E. Camelback Road Phoenix, Arizona	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$1,208,315
HPT CY TRS, Inc.	Sonesta Select Scottsdale at Mayo Clinic Campus 13444 E. Shea Boulevard Scottsdale, Arizona	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$852,610
HPT TRS MRP, Inc.	Sonesta ES Suites Scottsdale 6040 North Scottsdale Road Scottsdale, Arizona	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 10, 2021	$1,954,134
HPT TRS MRP, Inc.	Sonesta Simply Suites Scottsdale North 10740 North 90th Street Scottsdale, Arizona	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 10, 2021	$1,500,375
HPT TRS MRP, Inc.	Sonesta Select Tempe 601 South Ash Avenue Tempe, Arizona	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 12, 2021	$1,730,928
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Phoenix Tempe 1335 W. Baseline Road Tempe, Arizona	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,029,140
HPT TRS MRP, Inc.	Sonesta ES Suites Tempe 5075 South Priest Drive Tempe, Arizona	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 12, 2021	$1,643,186
HPT TRS IHG-2, Inc.	Sonesta ES Suites Anaheim 1855 S Manchester Avenue Anaheim, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$2,765,254
HPT TRS IHG-2, Inc.	Sonesta Anaheim 1915 Manchester Avenue Anaheim, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Full	December 1, 2020	$1,507,802

HPT CY TRS, Inc.	Sonesta Select Camarillo 4994 Verdugo Way Camarillo, California	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 1, 2021	$962,682
HPT TRS IHG-2, Inc.	Sonesta ES Suites Chatsworth 21902 Lassen Chatsworth, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,434,478
HPT CY TRS, Inc.	Sonesta Select Los Angeles LAX 2000 E. Mariposa Avenue El Segundo, California	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 1, 2021	$1,279,517
HPT TRS MRP, Inc.	Sonesta Emeryville 5555 Shellmound Street Emeryville, California	HPTMI Properties Trust	Sonesta International Hotels Corporation	Full	March 2, 2021	$6,026,954
HPT TRS MRP, Inc.	Sonesta ES Suites Huntington Beach 9930 Slater Avenue Fountain Valley, California	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 3, 2021	$1,887,776
HPT CY TRS, Inc.	Sonesta Select Huntington Beach 9950 Slater Road Fountain Valley, California	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 3, 2021	$1,156,437
HPT TRS MRP, Inc.	Sonesta ES Suites Fresno 5322 North Diana Avenue Fresno, California	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 3, 2021	$1,231,376
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Anaheim 12901 Garden Grove Blvd Garden Grove, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$931,185
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Orange Cty. Spectrum Cntr 16150 Sand Canyon Ave Irvine, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$930,451

HPT CY TRS, Inc.	Sonesta Select Laguna Hills 23175 Avenida de la Carlota Laguna Hills, California	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	February 3, 2021	$1,504,279
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Orange County Irvine 3 South Pointe Drive Lake Forest, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,065,780
HPT TRS IHG-2, Inc.	Sonesta Los Angeles Airport 5985 W. Century Blvd Los Angeles, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Full	December 1, 2020	$4,267,197
HPT TRS IHG-2, Inc.	Sonesta San Jose 777 Bellew Drive Milpitas, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Full	December 1, 2020	$3,732,839
HPT TRS MRP, Inc.	Sonesta Select Pleasant Hill 2250 Contra Costa Boulevard Pleasant Hill, California	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 1, 2021	$1,525,300
SVC Redondo Beach TRS LLC	Sonesta Redondo Beach & Marina 300 North Harbor Drive Redondo Beach, California	HPT IHG-2 Properties Trust	Sonesta Redondo Beach LLC	Full	December 1, 2020	$6,431,772
HPT TRS IHG-2, Inc.	Sonesta ES Suites San Francisco Airport 1350 Huntington Ave San Bruno, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,461,762
HPT TRS IHG-2, Inc.	Sonesta ES Suites San Diego 11855 Avenue of Industry San Diego, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,715,539
HPT TRS IHG-2, Inc.	Sonesta ES Suites San Diego Sorrento Mesa 6639 Mira Mesa Blvd San Diego, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$2,032,577

HPT TRS MRP, Inc.	Sonesta ES Suites Carmel Mountain 11002 Rancho Carmel Drive San Diego, California	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 1, 2021	$1,287,535
HPT TRS IHG-2, Inc.	Sonesta ES Suites San Jose Airport 1602 Crane Court San Jose, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$2,585,487
HPT CY TRS, Inc.	Sonesta Select San Jose Airport 1727 Technology Drive San Jose, California	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 5, 2021	$1,830,533
HPT TRS MRP, Inc.	Sonesta Select San Ramon 18090 San Ramon Valley Boulevard San Ramon, California	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 3, 2021	$1,648,465
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Orange County Airport 2600 Red Hill Avenue Santa Ana, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,072,784
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Santa Clara 481 El Camino Real Santa Clara, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,059,827
HPT TRS MRP, Inc.	Sonesta Select San Francisco Airport 1300 Veterans Boulevard South San Francisco, California	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	March 2, 2021	$3,945,471
HPT TRS MRP, Inc.	Sonesta ES Suites San Francisco Airport Oyster Point 1350 Veterans Boulevard South San Francisco, California	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	March 2, 2021	$3,174,553
HPT TRS IHG-2, Inc.	Sonesta ES Suites Sunnyvale 900 Hamlin Ct. Sunnyvale, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$3,152,598

HPT CY TRS, Inc.	Sonesta Select Los Angeles Torrance 1925 W. 190th Street Torrance, California	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	February 5, 2021	$1,312,010
HPT TRS IHG-2, Inc.	Sonesta ES Suites Torrance Redondo Beach 19901 Prairie Ave. Torrance, California	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,897,192
HPT TRS IHG-2, Inc.	Sonesta Denver 1450 Glenarm Place Denver, Colorado	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Full	December 1, 2020	$7,648,405
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Denver Federal Center 895 Tabor Street Lakewood, Colorado	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$977,957
HPT TRS IHG-2, Inc.	Sonesta ES Suites Denver South 7820 Park Meadows Drive Lonetree, Colorado	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,376,857
HPT CY TRS, Inc.	Sonesta Select Newark 48 Geoffrey Drive Newark, Delaware	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	February 10, 2021	$1,594,288
HPT TRS IHG-2, Inc.	Royal Sonesta Washington DC 2121 P Street NW Washington, DC	HPT IHG-3 Properties Trust	Sonesta International Hotels Corporation	Full	December 1, 2020	$11,316,000
HPT CY TRS, Inc.	Sonesta Select Boca Raton 2000 NW Executive Center Circle Boca Raton, Florida	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$1,674,498
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Clearwater 13231 49th St. N. Clearwater, Florida	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$646,337

HPT TRS IHG-2, Inc.	Sonesta ES Suites Fort Lauderdale Plantation 410 North Pine Island Road Fort Lauderdale, Florida	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,746,591
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Jacksonville 4990 Belfort Road Jacksonville, Florida	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$943,231
HPT TRS IHG-2, Inc.	Sonesta ES Suites Lake Buena Vista 8751 Suiteside Drive Orlando, Florida	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$2,780,439
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Miami Airport 8855 NW 27th Street Miami, Florida	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,017,411
HPT TRS IHG-2, Inc.	Sonesta Miami Airport 950 NW 42nd Avenue Miami, Florida	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Full	December 1, 2020	$2,450,702
HPT CY TRS, Inc.	Sonesta Select Miami Lakes 15700 NW 77th Court Miami Lakes, Florida	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	February 12, 2021	$1,600,326
HPT TRS MRP, Inc.	Sonesta ES Suites Atlanta North Point Mall 1325 North Point Drive Alpharetta, Georgia	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 12, 2021	$1,425,297
HPT TRS IHG-2, Inc.	Sonesta ES Suites Alpharetta North Point 3980 North Point Parkway Alpharetta, Georgia	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,225,640
HPT TRS MRP, Inc.	Sonesta ES Suites Atlanta Alpharetta Windward 5465 Windward Parkway Alpharetta, Georgia	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 12, 2021	$1,831,872

HPT CY TRS, Inc.	Sonesta Select Atlanta Midtown 1132 Techwood Drive NW Atlanta, Georgia	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$1,488,389
HPT CY TRS, Inc.	Sonesta Select Atlanta Cumberland 3000 Cumberland Boulevard SE Atlanta, Georgia	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 10, 2021	$1,711,481
HPT TRS IHG-2, Inc.	Sonesta Atlanta Airport South 4669 Airport Boulevard Atlanta, Georgia	HPT IHG GA Properties LLC	Sonesta International Hotels Corporation	Full	December 1, 2020	$1,960,466
HPT TRS IHG-2, Inc.	Sonesta Atlanta Airport North 1325 Virginia Avenue Atlanta, Georgia	HPT IHG-3 Properties LLC	Sonesta International Hotels Corporation	Full	December 1, 2020	$5,172,449
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Atlanta 3665 Shackleford Road Duluth, Georgia	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$865,511
HPT TRS IHG-2, Inc.	Sonesta ES Suites Atlanta – Perimeter Center 4601 Ridgeview Road Dunwoody, Georgia	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,558,947
HPT CY TRS, Inc.	Sonesta Select Atlanta Airport 3399 International Boulevard Hapeville, Georgia	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 10, 2021	$1,585,632
HPT TRS MRP, Inc.	Sonesta ES Suites Atlanta Kennesaw Town Center 3443 Busbee Drive NW Kennesaw, Georgia	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$1,262,935
HPT CY TRS, Inc.	Sonesta Select Atlanta Norcross 6235 McDonough Drive NW Norcross, Georgia	Properties Trust	Sonesta International Hotels Corporation	Select	December 15, 2020	$666,332

HPT CY TRS, Inc.	Sonesta Select Bettendorf 895 Golden Valley Drive Bettendorf, Iowa	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	February 12, 2020	$1,135,189
HPT CY TRS, Inc.	Sonesta Select Arlington Heights 3700 North Wilke Road Arlington Heights, Illinois	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	December 15, 2020	$1,248,338
HPT State Street TRS LLC	Royal Sonesta Chicago River North 505 North State Street Chicago, Illinois	HPT IHG Chicago Property LLC	Sonesta State Street LLC	Full	December 1, 2020	$4,400,000
SVC Randolph Street TRS LLC	The Allegro Royal Sonesta Hotel 171 West Randolph Street Chicago, Illinois	HPT IHG-3 Properties LLC	Sonesta Randolph Street LLC	Full	December 1, 2020	$7,217,620
HPT TRS MRP, Inc.	Sonesta ES Suites Chicago Downtown 201 East Walton Place Chicago, Illinois	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	March 2, 2021	$3,917,755
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Chicago Libertyville 1100 N. US Route 45 Libertyville, Illinois	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$849,479
HPT TRS IHG-2, Inc.	Sonesta Chicago O'Hare Airport 10233 West Higgins Road Rosemont, Illinois	HPT IHG-3 Properties LLC	Sonesta International Hotels Corporation	Full	December 1, 2020	$3,359,209
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Chicago O'Hare 4021 N. Mannheim Road Schiller Park, Illinois	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,629,888
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Chicago Naperville 27 W. 300 Warrenville Road Warrenville, Illinois	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$961,214

HPT TRS IHG-2, Inc.	Sonesta Simply Suites Chicago Waukegan 1151 S. Waukegan Rd. Waukegan, Illinois	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$805,302
HPT TRS MRP, Inc.	Sonesta ES Suites Chicago Waukegan 1440 South White Oak Drive Waukegan, Illinois	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	March 2, 2021	$1,686,373
HPT TRS MRP, Inc.	Sonesta Select Chicago Elgin 2175 South Eighth Street West Dundee, Illinois	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	December 15, 2020	$1,474,177
HPT CY TRS, Inc.	Sonesta Select Indianapolis 37 W. 103rd Street Indianapolis, Indiana	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$1,160,024
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Des Moines 7625 Office Plaza Drive N. Des Moines, Iowa	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$782,848
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Kansas City Overland Park 11001 Oakmont Overland Park, Kansas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$737,032
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Wichita Northeast 3141 N. Webb Road Wichita, Kansas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$636,684
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Wichita Airport 570 South Julia Wichita, Kansas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$651,297
HPT TRS MRP, Inc.	Sonesta ES Suites New Orleans Convention Center 345 St. Joseph Street New Orleans, Louisiana	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 12, 2021	$3,310,129

HPT TRS IHG-2, Inc.	Sonesta ES Suites Baton Rouge 4001 Nicholson Drive Baton Rouge, Louisiana	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,452,386
HPT TRS MRP, Inc.	Sonesta ES Suites Annapolis 170 Admiral Cochrane Drive Annapolis, Maryland	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 10, 2021	$1,642,588
HPT CY TRS, Inc.	Sonesta Select Columbia 8910 Stanford Boulevard Columbia, Maryland	Service Properties Trust	Sonesta International Hotels Corporation	Select	March 2, 2021	$1,756,462
HPT CY TRS, Inc.	Sonesta Select Greenbelt 6301 Golden Triangle Drive Greenbelt, Maryland	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	December 15, 2020	$1,698,214
HPT TRS MRP, Inc.	Sonesta ES Suites Baltimore BWI Airport 1160 Winterson Road Linthicum Heights, Maryland	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$1,397,534
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Baltimore BWI Airport 1247 Winterson Road Linthicum Heights, Maryland	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,160,156
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Boston Braintree 235 Wood Road Braintree, Massachusetts	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,347,308
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Boston Burlington 130 Middlesex Turnpike Burlington, Massachusetts	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,323,128
HPT CY TRS, Inc.	Sonesta Select Boston Danvers 275 Independence Way Danvers, Massachusetts	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 5, 2021	$1,069,755

HPT CY TRS, Inc.	Sonesta Select Boston Foxborough 35 Foxborough Boulevard Foxborough, Massachusetts	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 1, 2021	$1,401,884
HPT CY TRS, Inc.	Sonesta Select Boston Lowell 30 Industrial Avenue East Lowell, Massachusetts	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 1, 2021	$667,819
HPT CY TRS, Inc.	Sonesta Select Boston Milford 10 Fortune Boulevard Milford, Massachusetts	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 5, 2021	$1,132,917
HPT CY TRS, Inc.	Sonesta Select Boston Stoughton 200 Technology Center Drive Stoughton, Massachusetts	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 3, 2021	$1,625,312
HPT TRS MRP, Inc.	Sonesta ES Suites Boston Westborough 25 Connector Road Westborough, Massachusetts	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 1, 2021	$1,548,210
HPT CY TRS, Inc.	Sonesta Select Boston Woburn 240 Mishawum Road Woburn, Massachusetts	Properties Trust	Sonesta International Hotels Corporation	Select	December 15, 2020	$1,249,898
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Detroit Ann Arbor 701 Waymarket Way Ann Arbor, Michigan	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$836,303
HPT CY TRS, Inc.	Sonesta Select Detroit Auburn Hills 2550 Aimee Lane Auburn Hills, Michigan	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 12, 2021	$885,821
HPT TRS MRP, Inc.	Sonesta Simply Suites Detroit Novi 42600 West Eleven Mile Road Novi, Michigan	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 10, 2021	$1,045,601

HPT TRS MRP, Inc.	Sonesta Select Detroit Novi 42700 W. Eleven Mile Road Novi, Michigan	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 10, 2021	$1,537,300
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Detroit Southfield 1 Corporate Drive Southfield, Michigan	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,060,711
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Detroit Troy 2550 Troy Center Dr. Troy, Michigan	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$834,407
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Detroit Warren 7010 Convention Boulevard Warren, Michigan	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,023,967
HPT TRS MRP, Inc.	Sonesta ES Suites Detroit Warren 30120 North Civic Center Boulevard Warren, Michigan	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$1,080,590
HPT CY TRS, Inc.	Sonesta Select Minneapolis 11391 Viking Drive Eden Prairie, Minnesota	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 12, 2021	$1,209,162
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Minneapolis Richfield 351 West 77th Street Minneapolis, Minnesota	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,220,324
HPT TRS IHG-2, Inc.	Sonesta Simply Suites St. Louis Earth City 3250 Rider Trail S. Earth City, Missouri	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$775,948
HPT CY TRS, Inc.	Sonesta Select Kansas City Airport 7901 N.W. Tiffany Springs Parkway Kansas City, Missouri	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 10, 2021	$1,329,895

HPT CY TRS, Inc.	Sonesta Select Kansas City South 500 E. 105th Street Kansas City, Missouri	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 10, 2021	$1,439,687
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Las Vegas 4034 South Paradise Road Las Vegas, Nevada	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$2,573,572
HPT TRS MRP, Inc.	Sonesta Select Las Vegas 1901 North Rainbow Boulevard Las Vegas, Nevada	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 12, 2021	$1,711,661
HPT TRS MRP, Inc.	Sonesta ES Suites Reno 9845 Gateway Drive Reno, Nevada	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 10, 2021	$1,133,156
SVC NJ TRS LLC	Sonesta Hamilton Park Morristown 175 Park Avenue Florham Park, New Jersey	HPT IHG-2 Properties Trust	Sonesta NJ LLC	Full	October 1, 2020	$5,484,939
SVC Jersey City TRS LLC	Sonesta Jersey City 21 2nd Street Jersey City, New Jersey	HPT IHG-2 Properties Trust	Sonesta Jersey City LLC	Select	December 1, 2020	$3,005,981
HPT CY TRS, Inc.	Sonesta Select Mahwah 140 Route 17 South Mahwah, New Jersey	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 12, 2021	$1,745,901
SVC Morris Plains TRS LLC	Sonesta Parsippany Morris Plains 100 Candlewood Drive Morris Plains, New Jersey	HPT IHG-2 Properties Trust	Sonesta Morris Plains LLC	Select	December 1, 2020	$1,079,582
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Philadelphia Mount Laurel 4000 Crawford Place Mount Laurel, New Jersey	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$877,530

SVC Gatehall Drive TRS LLC	Sonesta ES Suites Parsippany Morris Plains 3 Gatehall Drive Parsippany, New Jersey	HPTMI Properties Trust	Sonesta Gatehall Drive LLC	Select	February 12, 2021	$1,942,102
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Somerset 41 World's Fair Drive Somerset, New Jersey	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,020,029
HPT CY TRS, Inc.	Sonesta Select Tinton Falls 600 Hope Road Tinton Falls, New Jersey	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$901,335
HPT CY TRS, Inc.	Sonesta Select Whippany 157 Route 10 East Whippany, New Jersey	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	February 10, 2021	$1,895,329
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Albuquerque 3025 Menaul Boulevard NE Albuquerque, New Mexico	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,032,400
HPT TRS MRP, Inc.	Sonesta ES Suites Albuquerque 3300 Prospect Avenue, NE Albuquerque, New Mexico	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 10, 2021	$1,950,319
SVC Nanuet TRS LLC	Sonesta Nanuet Rockland County 20 Overlook Boulevard Nanuet, New York	HPT IHG-2 Properties Trust	Sonesta Nanuet LLC	Select	December 1, 2020	$1,097,041
HPT TRS IHG-2, Inc.	Sonesta White Plains 66 Hale Avenue White Plains, New York	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Full	December 1, 2020	$7,237,772
HPT TRS MRP, Inc.	Sonesta ES Suites Raleigh Cary 2900 Regency Parkway Cary, North Carolina	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 1, 2021	$1,375,784

HPT TRS IHG-2, Inc.	Sonesta Simply Suites Charlotte University 8812 University East Drive Charlotte, North Carolina	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$974,464
HPT TRS IHG-2, Inc.	Sonesta Charlotte 5700 Westpark Drive Charlotte, North Carolina	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Full	December 1, 2020	$3,632,053
HPT CY TRS, Inc.	Sonesta Select Charlotte University 333 West W.T. Harris Boulevard Charlotte, North Carolina	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	February 3, 2021	$1,089,210
HPT TRS MRP, Inc.	Sonesta Select Durham Highway 54 East 301 Residence Inn Blvd. Durham, North Carolina	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	December 15, 2020	$1,182,787
HPT CY TRS, Inc.	Sonesta Select Raleigh Durham Airport 2001 Hospitality Court Morrisville, North Carolina	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	February 5, 2021	$1,581,957
HPT TRS MRP, Inc.	Sonesta ES Suites Raleigh Durham Airport 2020 Hospitality Court Morrisville, North Carolina	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 5, 2021	$1,600,524
HPT TRS IHG-2, Inc.	Sonesta Columbus 33 East Nationwide Blvd. Columbus, Ohio	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Full	December 1, 2020	$5,357,317
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Columbus Airport 590 Taylor Road Gahanna, Ohio	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$764,858
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Cleveland North Olmsted 24741 Country Club Blvd. N. Olmstead, Ohio	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$907,042

HPT TRS IHG-2, Inc.	Sonesta Simply Suites Oklahoma City Airport 4400 River Park Drive Oklahoma City, Oklahoma	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$785,795
HPT TRS IHG-2, Inc.	Royal Sonesta Portland 506 SW Washington Street Portland, Oregon	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Full	December 1, 2020	$9,120,000
HPT TRS MRP, Inc.	Sonesta Select Allentown Bethlehem 2160 Motel Drive Allentown, Pennsylvania	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 3, 2021	$1,129,333
HPT TRS MRP, Inc.	Sonesta ES Suites Allentown Bethlehem 2180 Motel Drive Bethlehem, Pennsylvania	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 3, 2021	$1,267,308
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Philadelphia Willow Grove 250 Business Center Drive Horsham, Pennsylvania	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$918,845
HPT CY TRS, Inc.	Sonesta Select Philadelphia Airport 8900 Bartram Avenue Philadelphia, Pennsylvania	Service Properties Trust	Sonesta International Hotels Corporation	Select	March 2, 2021	$1,301,829
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Pittsburgh Airport 100 Chauvet Drive Pittsburgh, Pennsylvania	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,006,515
HPT CY TRS, Inc.	Sonesta Select Newport Middletown 9 Commerce Drive Middletown, Rhode Island	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$1,638,525
HPT CY TRS, Inc.	Sonesta Select Spartanburg 110 Mobile Drive Spartanburg, South Carolina	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	December 15, 2020	$741,709

HPT TRS MRP, Inc.	Sonesta ES Suites Nashville Brentwood 206 Ward Circle Brentwood, Tennessee	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 12, 2021	$1,356,807
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Nashville Brentwood 5129 Virginia Way Brentwood, Tennessee	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$986,474
HPT CY TRS, Inc.	Sonesta Select Chattanooga 2210 Bams Drive Chattanooga, Tennessee	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	December 15, 2020	$1,379,931
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Knoxville 10206 Parkside Drive Knoxville, Tennessee	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$568,242
HPT TRS MRP, Inc.	Sonesta Nashville Airport 600 Marriott Drive Nashville, Tennessee	HPTMI Properties Trust	Sonesta International Hotels Corporation	Full	March 2, 2021	$4,905,128
HPT TRS MRP, Inc.	Sonesta Select Nashville Airport Suites 1100 Airport Center Drive Nashville, Tennessee	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 8, 2021	$1,571,649
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Arlington 2221 Brookhollow Plaza Dr. Arlington, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$798,280
HPT TRS IHG-2, Inc.	The Stephen F Austin Royal Sonesta Hotel 701 Congress Avenue Austin, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Full	December 1, 2020	$4,948,054
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Austin South 4320 IH 35 Frontage Road Austin, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,090,683

HPT TRS IHG-2, Inc.	Sonesta Simply Suites Austin Arboretum 9701 Stonelake Boulevard Austin, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,151,626
HPT TRS IHG-2, Inc.	Sonesta ES Suites Austin Arboretum 10201 Stonelake Boulevard Austin, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,341,256
HPT TRS MRP, Inc.	Sonesta ES Suites Dallas Market Center 6950 North Stemmons Freeway Dallas, Texas	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 3, 2021	$2,164,518
Cambridge TRS, Inc.	Sonesta Suites Dallas Park Central 7800 Alpha Road Dallas, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Full	September 25, 2020	$1,917,163
Cambridge TRS, Inc.	Sonesta ES Suites Dallas Park Central 7880 Alpha Road Dallas, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	September 25, 2020	$731,079
HPT CY TRS, Inc.	Sonesta Select Dallas Central Expressway 10325 N. Central Expressway Dallas, Texas	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 1, 2021	$1,457,462
HPT TRS MRP, Inc.	Sonesta ES Suites Dallas Central Expressway 10333 North Central Expressway Dallas, Texas	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 1, 2021	$1,102,454
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Dallas Richardson 12525 Greenville Ave. Dallas, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$849,104
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Dallas Galleria 13939 Noel Road Dallas, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$947,901

HPT TRS MRP, Inc.	Sonesta Select Fort Worth 3751 NE Loop 820 Fort Worth, Texas	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	December 15, 2020	$1,610,533
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Fort Worth 5201 Endicott Avenue Fort Worth, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$633,173
HPT TRS MRP, Inc.	Sonesta ES Suites Fort Worth 5801 Sandshell Drive Fort Worth, Texas	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 3, 2021	$1,192,817
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Houston Clear Lake 2737 Bay Area Boulevard Houston, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$876,441
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Houston Galleria 4900 Loop Central Drive Houston, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$846,728
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Houston City Centre 10503 Town & Country Way Houston, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$985,633
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Houston Westchase 4033 W. Sam Houston Parkway Houston, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$975,908
HPT TRS IHG-2, Inc.	Sonesta ES Suites Dallas – Las Colinas 1201 Executive Circle Irving, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$952,953
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Dallas Las Colinas 5300 Green Park Drive Irving, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,090,057

HPT TRS IHG-2, Inc.	Sonesta Simply Suites Plano 4701 Legacy Drive Plano, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$884,916
HPT TRS MRP, Inc.	Sonesta ES Suites Dallas Richardson 1040 Waterwood Drive Richardson, Texas	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 1, 2021	$1,302,125
HPT TRS MRP, Inc.	Sonesta Select Dallas Richardson 2191 N. Greenville Avenue Richardson, Texas	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 1, 2021	$1,327,644
HPT TRS MRP, Inc.	Sonesta ES Suites San Antonio Downtown 425 Bonham Street San Antonio, Texas	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 5, 2021	$2,444,321
HPT TRS IHG-2, Inc.	Sonesta Simply Suites San Antonio Northwest 9350 IH 10 West San Antonio, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$637,813
HPT TRS IHG-2, Inc.	Sonesta ES Suites San Antonio Northwest 4320 Spectrum One San Antonio, Texas	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,275,847
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Salt Lake City Airport 2170 West North Temple Salt Lake City, Utah	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$914,023
HPT CY TRS, Inc.	Sonesta Select Arlington 1533 Clarendon Boulevard Arlington, Virginia	HPTCY Properties Trust	Sonesta International Hotels Corporation	Select	February 5, 2021	$2,379,524
HPT TRS MRP, Inc.	Sonesta ES Suites Charlottesville 1111 Millmont Street Charlottesville, Virginia	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 5, 2021	$1,068,424

HPT TRS MRP, Inc.	Sonesta ES Suites Fairfax 12815 Fairlakes Parkway Fairfax, Virginia	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 1, 2021	$1,290,298
HPT TRS MRP, Inc.	Sonesta Simply Suites Falls Church 205 Hillwood Avenue Falls Church, Virginia	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 3, 2021	$1,287,350
HPT TRS IHG-2, Inc.	Sonesta Simply Suites Hampton 401 Butler Farm Road Hampton, Virginia	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$811,758
HPT TRS IHG-2, Inc.	Sonesta ES Suites Dulles Airport 13700 Coppermine Rd. Herndon, Virginia	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,940,640
HPT CY TRS, Inc.	Sonesta Select Seattle Bellevue 14615 NE 29th Place Bellevue, Washington	Service Properties Trust	Sonesta International Hotels Corporation	Select	February 3, 2021	$1,679,798
HPT TRS MRP, Inc.	Sonesta Select Seattle Renton 200 SW 19th Street Renton, Washington	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 5, 2021	$1,283,265
HPT TRS MRP, Inc.	Sonesta Simply Suites Seattle Renton 300 SW 19th Street Renton, Washington	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 5, 2021	$1,712,304
HPT TRS IHG-2, Inc.	The Alexis Royal Sonesta Hotel 1007 First Avenue Seattle, Washington	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Full	December 1, 2020	$6,510,194
HPT TRS IHG-2, Inc.	Sonesta ES Suites Vancouver – Portland West 7301 NE 41st Street Vancouver, Washington	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Select	December 1, 2020	$1,379,753

HPT TRS MRP, Inc.	Sonesta ES Suites Charleston 200 Hotel Circle Charleston, West Virginia	HPTMI Properties Trust	Sonesta International Hotels Corporation	Select	February 12, 2021	$1,102,408
HPT CY TRS, Inc.	Sonesta Select Milwaukee Brookfield 16865 W. Bluemound Road Brookfield, Wisconsin	Service Properties Trust	Sonesta International Hotels Corporation	Select	March 2, 2021	$1,260,484
HPT TRS IHG-2, Inc.	Sonesta Milwaukee West 10499 Innovation Drive Milwaukee, Wisconsin	HPT IHG-2 Properties Trust	Sonesta International Hotels Corporation	Full	December 1, 2020	$2,400,000
HPT TRS IHG-2, Inc.	The Yorkville Royal Sonesta Hotel 220 Bloor Street Toronto, Ontario	HPT IHG Canada Properties Trust	Sonesta Toronto ULC	Full	December 15, 2020	$3,668,265
HPT TRS IHG-2, Inc.	Sonesta ES Suites Toronto 355 South Park Road Toronto, Ontario	HPT IHG Canada Properties Trust	Sonesta Canada ULC	Select	December 15, 2020	$1,577,349
SVC San Juan TRS LLC	Royal Sonesta San Juan 5961 Isla Verde Avenue Carolina, Puerto Rico	HPT IHG PR, Inc.	Sonesta San Juan LLC	Full	December 15, 2020	$7,907,991
HPT TRS MRP, Inc.	Royal Sonesta Kaua'i Resort 3610 Rice Street Lihue-Kauai, Hawaii	HPTMI Hawaii, Inc.	Sonesta International Hotels Corporation	Full	March 24, 2021	$8,990,418
Cambridge TRS, Inc.	Sonesta Select Tucson Airport 6885 South Tucson Boulevard Tucson, Arizona	HPT Suite Properties Trust	Sonesta International Hotels Corporation	Select	June 1, 2021	$1,017,816.96
Cambridge TRS, Inc.	Sonesta Select Atlanta Duluth 3530 Venture Parkway Duluth, Georgia	HPT Suite Properties Trust	Sonesta International Hotels Corporation	Select	June 1, 2021	$1,112,364.60

Cambridge TRS, Inc.	Sonesta Select Fort Wayne 111 W. Washington Center Rd. Fort Wayne, Indiana	HPT Suite Properties Trust	Sonesta International Hotels Corporation	Select	June 1, 2021	$880,572.72
Cambridge TRS, Inc.	Sonesta Select Kansas City Airport Prairie View 7600 NW 97th Terrace Kansas City, Missouri	HPT Suite Properties Trust	Sonesta International Hotels Corporation	Select	June 1, 2021	$886,084.20
Cambridge TRS, Inc.	Sonesta Select Austin North 7522 N. Interstate Highway 35 Austin, Texas	HPT Suite Properties Trust	Sonesta International Hotels Corporation	Select	June 1, 2021	$977,459.88
SVC Minneapolis TRS LLC	The Royal Sonesta Minneapolis 35 S 7th Street Minneapolis, Minnesota	HPTWN Properties Trust	Sonesta Minneapolis LLC	Full	November 1, 2021	$6,186,832

Exhibit 10.3

POOLING AGREEMENT
(CONVERSION HOTELS)

THIS POOLING AGREEMENT (this "**Agreement**") is executed on December 15, 2020, but is made effective as of September 18, 2020, by and among Sonesta International Hotels Corporation, a Maryland corporation, and the other parties listed on Schedule A, as managers (each a "**Manager**" and collectively, "**Managers**"), and the parties listed on Schedule B, as owners (each an "**Owner**" and collectively, "**Owners**").

RECITALS:

WHEREAS, contemporaneously with or prior to the execution of this Agreement, each Owner has entered into a Master Management Agreement or a Management Agreement 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 D opposite such Owner's name which is operated as a full service or a select service hotel (each a "**Hotel**" and collectively, the "**Hotels**").

WHEREAS, Owners and Managers desire to pool working capital for each of the Hotels and all revenues and reserves from operation of each of the Hotels for purposes of paying operating expenses of the Hotels and fees and other amounts due to Managers and Owners under the Management Agreements.

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 6.01.

"Additional Manager" is defined in Section 6.01.

"Additional Owner" is defined in Section 6.01.

"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 select 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.

“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 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 the sum of the Owner’s Priority for the Hotels.

“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” means, with respect to each Hotel, the date listed as the Effective Date for such Hotel on Schedule D.

“Hotel” and “Hotels” are defined in the Recitals.

“Landlord(s)” means the owner of the Hotel(s) set forth on Schedule D.

“Management Agreement” and “Management Agreements” are defined in the Recitals.

"Manager" and "Managers" are defined in the Preamble.

"Owner" and "Owners" are defined in the Preamble.

"Pooled FF&E Reserves" is defined in Section 5.01.B.

"Pooled FF&E Reserve Account" is defined in Section 5.01.B.

ARTICLE II
GENERAL

The parties agree that from and after the Effective Date for each Hotel, so long as such 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 11.18 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.

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*, (i) to 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. 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, and the Aggregate Owner's Residual Payment shall be paid on or before the twentieth (20^{th}) 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. If any installment of the Aggregate Base Management Fee, the Aggregate Reservation Fee, the Aggregate System Fee or the Aggregate Owner's Priority is not paid when due, it shall accrue interest at the Interest Rate. Calculations and payments of the Aggregate FF&E Reserve Deposit 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 Sections 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 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
ACCOUNTS

5.01. Accounts; Pooled FF&E Reserve Account.

A. Subject to Section 5.01.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.

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.

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. One or more Owners shall be a signatory on all accounts maintained with respect to each 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 VI
ADDITION AND REMOVAL OF HOTELS

6.01. Addition of Hotels. At any time and from time to time, if a Manager or any Affiliate of Manager (an "**Additional Manager**") and any Owner or any Affiliate of an Owner (an "**Additional Owner**") add an additional Hotel (an "**Additional Hotel**") to an existing Management Agreement or enter into a management agreement for the operation of 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 the applicable Schedules. 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.

6.02. Removal of Hotels. From and after the date of termination of any Management Agreement with respect to any Hotel, such Hotel 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 VII
TERM AND TERMINATION

7.01. Term. This Agreement shall continue and remain in effect indefinitely unless terminated pursuant to Section 7.02.

7.02. 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 in their entirety 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.

7.03. Effect of Termination. Upon the termination of this Agreement, except as otherwise provided in Section 8.04.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 V, 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 6.02.

7.04. Survival. The following Sections of this Agreement shall survive the termination of this Agreement: Section 7.03 and Article VIII.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

8.01. 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, 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

To Managers:

Sonesta International Hotels Corporation
Two Newton Place
255 Washington Street
Newton, Massachusetts 02458
Attn: President

8.02. 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.

8.03. 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.

8.04. 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.

8.05. 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.

8.06. 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 11.06 of the Management Agreements.

8.07. 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.

8.08. 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.

8.09. 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.

[Remainder of page intentionally left blank; Signature page follows]

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, a Maryland corporation

By: /s/ Carlos R. Flores
Carlos R. Flores
President and Chief Executive Officer

SONESTA JERSEY CITY LLC,
SONESTA MORRIS PLAINS LLC,
SONESTA NANUET LLC,
SONESTA NJ LLC,
SONESTA RANDOLPH STREET LLC,
SONESTA REDONDO BEACH LLC,
SONESTA SAN JUAN LLC,
SONESTA STATE STREET LLC,
each a Maryland limited liability company

By: /s/ Carlos R. Flores
Carlos R. Flores
President and Chief Executive Officer

SONESTA CANADA ULC,
SONESTA TORONTO ULC,
each a British Columbian unlimited liability company

By: /s/ Carlos R. Flores
Carlos R. Flores
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.

OWNERS:

CAMBRIDGE TRS, INC.,
HPT CY TRS, INC.,
HPT TRS IHG-2, INC.,
HPT TRS MRP, INC.,
each a Maryland corporation

By: /s/ John G. Murray
John G. Murray
President and Chief Executive Officer

HPT STATE STREET TRS LLC,
SVC JERSEY CITY TRS LLC,
SVC MORRIS PLAINS TRS LLC,
SVC NANUET TRS LLC,
SVC RANDOLPH STREET TRS LLC,
SVC REDONDO BEACH TRS LLC,
each a Maryland limited liability company

By: /s/ John G. Murray
John G. Murray
President and Chief Executive Officer

SVC SAN JUAN LLC,
a Puerto Rico limited liability company

By: /s/ John G. Murray
John G. Murray
President and Chief Executive Officer

SCHEDULE A

MANAGERS

Sonesta Canada ULC
Sonesta Gatehall Drive LLC
Sonesta International Hotels Corporation
Sonesta Jersey City LLC
Sonesta Minneapolis LLC
Sonesta Morris Plains LLC
Sonesta Nanuet LLC
Sonesta NJ LLC
Sonesta Randolph Street LLC
Sonesta Redondo Beach LLC
Sonesta San Juan LLC
Sonesta State Street LLC
Sonesta Toronto ULC

SCHEDULE B

OWNERS

Cambridge TRS, Inc.
HPT CY TRS, Inc.
HPT State Street TRS LLC
HPT TRS IHG-2, Inc.
HPT TRS MRP, Inc.
SVC Gatehall Drive TRS LLC
SVC Jersey City TRS LLC
SVC Minneapolis TRS LLC
SVC Morris Plains TRS LLC
SVC Nanuet TRS LLC
SVC NJ TRS LLC
SVC Randolph Street TRS LLC
SVC Redondo Beach TRS LLC
SVC San Juan TRS LLC

SCHEDULE C

MANAGEMENT AGREEMENTS

1. Master Management Agreement, dated as of September 25, 2020, between Sonesta International Hotels Corporation and Cambridge TRS, Inc.

2. Management Agreement, dated as of October 1, 2020, between Sonesta NJ LLC and SVC NJ TRS LLC.

3. Master Management Agreement, executed on November 25, 2020, but effective as of December 1, 2020, between Sonesta International Hotels Corporation and HPT TRS IHG-2, Inc.

4. Management Agreement, dated as of December 1, 2020, between Sonesta Redondo Beach LLC and SVC Redondo Beach TRS LLC.

5. Management Agreement, dated as of December 1, 2020, between Sonesta Randolph Street LLC and SVC Randolph Street TRS LLC.

6. Management Agreement, dated as of December 1, 2020, between Sonesta State Street LLC and HPT State Street TRS LLC.

7. Management Agreement, dated as of December 1, 2020, between Sonesta Jersey City LLC and SVC Jersey City TRS LLC.

8. Management Agreement, dated as of December 1, 2020, between Sonesta Morris Plains LLC and SVC Morris Plains TRS LLC.

9. Management Agreement, dated as of December 1, 2020, between Sonesta Nanuet LLC and SVC Nanuet TRS LLC. (Nanuet Hotel)

10. Management Agreement, dated as of December 15, 2020, between Sonesta San Juan LLC and SVC San Juan TRS LLC.

11. Management Agreement, dated as of December 15, 2020, between Sonesta Canada ULC and HPT TRS IHG-2, Inc.

12. Management Agreement, dated as of December 15, 2020, between Sonesta Toronto ULC and HPT TRS IHG-2, Inc.

13. Master Management Agreement, dated as of December 15, 2020, between Sonesta International Hotels Corporation and HPT CY TRS, Inc., as amended.

14. Master Management Agreement, dated as of December 15, 2020, between Sonesta International Hotels Corporation and HPT TRS MRP, Inc., as amended.

15. Management Agreement, dated as of February 12, 2021, between Sonesta Gatehall Drive LLC and SVC Gatehall Drive TRS LLC.

16. Management Agreement, dated as of March 2, 2021, but to become effective as of March 24, 2021, between Sonesta International Hotels Corporation and HPT TRS MRP, Inc.

17. Master Management Agreement, dated as of June 1, 2021, between Sonesta International Hotels Corporation and Cambridge TRS, Inc.

18. Management Agreement, dated as of November 1, 2021, between Sonesta Minneapolis LLC and SVC Minneapolis TRS LLC.

SCHEDULE D

HOTELS

Hotel Name	Street Address	City	State	Effective Date
Sonesta Simply Suites Birmingham	600 Corporate Ridge Dr	Birmingham	AL	12/01/2020
Sonesta ES Suites Birmingham Homewood	50 State Farm Parkway	Birmingham	AL	02/08/2021
Sonesta Select Birmingham	4300 Colonade Parkway	Birmingham	AL	02/08/2021
Sonesta Simply Suites Huntsville	201 Exchange Pl	Huntsville	AL	12/01/2020
Sonesta Select Phoenix Chandler	920 North 54th Street	Chandler	AZ	02/08/2021
Sonesta Simply Suites Phoenix	11411 N Black Canyon Hwy	Phoenix	AZ	12/01/2020
Sonesta Select Phoenix Camelback	2101 E. Camelback Road	Phoenix	AZ	02/08/2021
Sonesta Select Scottsdale at Mayo Clinic Campus	13444 E. Shea Boulevard	Scottsdale	AZ	02/08/2021
Sonesta ES Suites Scottsdale	6040 North Scottsdale Road	Scottsdale	AZ	02/10/2021
Sonesta Simply Suites Scottsdale North	10740 North 90th Street	Scottsdale	AZ	02/10/2021
Sonesta Select Tempe	601 South Ash Avenue	Tempe	AZ	02/12/2021
Sonesta Simply Suites Phoenix Tempe	1335 W Baseline Road	Tempe	AZ	12/01/2020
Sonesta ES Suites Tempe	5075 South Priest Drive	Tempe	AZ	02/12/2021
Sonesta Select Tucson Airport	6885 South Tucson Blvd.	Tucson	AZ	06/02/2021
Sonesta ES Suites Anaheim	1855 S Manchester Avenue	Anaheim	CA	12/01/2020
Sonesta Anaheim	1915 S Manchester Avenue	Anaheim	CA	12/01/2020
Sonesta Select Camarillo	4994 Verdugo Way	Camarillo	CA	02/01/2021
Sonesta ES Suites Chatsworth	21902 Lassen	Chatsworth	CA	12/01/2020
Sonesta Select Los Angeles LAX	2000 E. Mariposa Avenue	El Segundo	CA	02/01/2021
Sonesta Emeryville	5555 Shellmound Street	Emeryville	CA	03/02/2021

Sonesta ES Suites Huntington Beach	9930 Slater Avenue	Fountain Valley	CA	02/03/2021
Sonesta Select Huntington Beach	9950 Slater Road	Fountain Valley	CA	02/03/2021
Sonesta ES Suites Fresno	5322 North Diana Avenue	Fresno	CA	02/03/2021
Sonesta Simply Suites Anaheim	12901 Garden Grove Blvd	Garden Grove	CA	12/01/2020
Sonesta Simply Suites Orange Cty. Spectrum Cntr.	16150 Sand Canyon Ave	Irvine	CA	12/01/2020
Sonesta Select Laguna Hills	23175 Avenida de la Carlota	Laguna Hills	CA	02/03/2021
Sonesta Simply Suites Orange County Irvine	3 South Pointe Drive	Lake Forest	CA	12/01/2020
Sonesta Los Angeles Airport	5985 W Century Blvd	Los Angeles	CA	12/01/2020
Sonesta San Jose	777 Bellew Drive	Milpitas	CA	12/01/2020
Sonesta Select Pleasant Hill	2250 Contra Costa Boulevard	Pleasant Hill	CA	02/01/2021
Sonesta Redondo Beach & Marina	300 North Harbor Drive	Redondo Beach	CA	12/01/2020
Sonesta ES Suites San Francisco Airport	1350 Huntington Ave	San Bruno	CA	12/01/2020
Sonesta ES Suites San Diego	11855 Avenue of Industry	San Diego	CA	12/01/2020
Sonesta ES Suites San Diego Sorrento Mesa	6639 Mira Mesa Blvd	San Diego	CA	12/01/2020
Sonesta ES Suites Carmel Mountain	11002 Rancho Carmel Drive	San Diego	CA	02/01/2021
Sonesta ES Suites San Jose Airport	1602 Crane Court	San Jose	CA	12/01/2020
Sonesta Select San Jose Airport	1727 Technology Drive	San Jose	CA	02/05/2021
Sonesta Select San Ramon	18090 San Ramon Valley Boulevard	San Ramon	CA	02/03/2021
Sonesta Simply Suites Orange County Airport	2600 Red Hill Avenue	Santa Ana	CA	12/01/2020
Sonesta Simply Suites Santa Clara	481 El Camino Real	Santa Clara	CA	12/01/2020
Sonesta Select San Francisco Airport	1300 Veterans Boulevard	South San Francisco	CA	03/02/2021
Sonesta ES Suites San Francisco Airport Oyster Point	1350 Veterans Boulevard	South San Francisco	CA	03/02/2021
Sonesta ES Suites Sunnyvale	900 Hamlin Ct	Sunnyvale	CA	12/01/2020

Sonesta Select Los Angeles Torrance	1925 W. 190th Street	Torrance	CA	02/05/2021
Sonesta ES Suites Torrance Redondo Beach	19901 Prairie Ave	Torrance	CA	12/01/2020
Sonesta Denver	1450 Glenarm Place	Denver	CO	12/01/2020
Sonesta Simply Suites Denver Federal Center	895 Tabor Street	Lakewood	CO	12/01/2020
Sonesta ES Suites Denver South	7820 Park Meadows Drive	Lonetree	CO	12/01/2020
Sonesta Select Newark	48 Geoffrey Drive	Newark	DE	02/10/2021
Royal Sonesta Washington DC	2121 P Street NW	Washington	DC	12/01/2020
Sonesta Select Boca Raton	2000 NW Executive Center Circle	Boca Raton	FL	02/08/2021
Sonesta Simply Suites Clearwater	13231 49th St N	Clearwater	FL	12/01/2020
Sonesta ES Suites Fort Lauderdale Plantation	410 North Pine Island Road	Fort Lauderdale	FL	12/01/2020
Sonesta Simply Suites Jacksonville	4990 Belfort Road	Jacksonville	FL	12/01/2020
Sonesta ES Suites Lake Buena Vista	8751 Suiteside Drive	Orlando	FL	12/01/2020
Sonesta Simply Suites Miami Airport	8855 NW 27th St	Miami	FL	12/01/2020
Sonesta Miami Airport	950 NW 42nd Avenue	Miami	FL	12/01/2020
Sonesta Select Miami Lakes	15700 NW 77th Court	Miami Lakes	FL	02/12/2021
Sonesta ES Suites Atlanta North Point Mall	1325 North Point Drive	Alpharetta	GA	02/12/2021
Sonesta ES Suites Alpharetta North Point	3980 North Point Parkway	Alpharetta	GA	12/01/2020
Sonesta ES Suites Atlanta Alpharetta Windward	5465 Windward Parkway	Alpharetta	GA	02/12/2021
Sonesta Select Atlanta Midtown	1132 Techwood Drive NW	Atlanta	GA	02/08/2021
Sonesta Select Atlanta Cumberland	3000 Cumberland Boulevard SE	Atlanta	GA	02/10/2021
Sonesta Atlanta Northwest Galleria	6345 Powers Ferry Road NW	Atlanta	GA	09/18/2020

Sonesta Atlanta Airport South	4669 Airport Blvd	Atlanta	GA	12/01/2020
Sonesta Atlanta Airport North	1325 Virginia Avenue	Atlanta	GA	12/01/2020
Sonesta Simply Suites Atlanta	3665 Shackleford Rd	Duluth	GA	12/01/2020
Sonesta Select Atlanta Duluth	3530 Venture Parkway	Duluth	GA	06/02/2021
Sonesta ES Suites Atlanta - Perimeter Center	4601 Ridgeview Road	Dunwoody	GA	12/01/2020
Sonesta Select Atlanta Airport	3399 International Boulevard	Hapeville	GA	02/10/2021
Sonesta ES Suites Atlanta Kennesaw Town Center	3443 Busbee Drive NW	Kennesaw	GA	02/08/2021
Sonesta Select Atlanta Norcross	6235 McDonough Drive NW	Norcross	GA	12/15/2020
Royal Sonesta Kaua'i Resort	3160 Rice Street	Lihue-Kauai	HI	03/24/2021
Sonesta Select Bettendorf	895 Golden Valley Drive	Bettendorf	IA	02/12/2021
Sonesta Select Arlington Heights	3700 North Wilke Road	Arlington Heights	IL	12/15/2020
Royal Sonesta Chicago River North	505 North State Street	Chicago	IL	12/01/2020
The Allegro Royal Sonesta Hotel	171 West Randolph Street	Chicago	IL	12/01/2020
Sonesta ES Suites Chicago Downtown	201 East Walton Place	Chicago	IL	03/02/2021
Sonesta Simply Suites Chicago Libertyville	1100 N US Route 45	Libertyville	IL	12/01/2020
Sonesta Chicago O'Hare Airport	10233 West Higgins Road	Rosemont	IL	12/01/2020
Sonesta Simply Suites Chicago O'Hare	4021 N Mannheim Rd	Schiller Park	IL	12/01/2020
Sonesta Simply Suites Chicago Naperville	27 W 300 Warrenville Rd	Warrenville	IL	12/01/2020
Sonesta Simply Suites Chicago Waukegan	1151 S Waukegan Rd	Waukegan	IL	12/01/2020
Sonesta ES Suites Chicago Waukegan	1440 South White Oak Drive	Waukegan	IL	03/02/2021
Sonesta Select Chicago Elgin	2175 South Eighth Street	West Dundee	IL	12/15/2020

Sonesta Select Fort Wayne	111 West Washington Center Road	Fort Wayne	IN	06/02/2021
Sonesta Select Indianapolis	37 W 103rd Street	Indianapolis	IN	02/08/2021
Sonesta Simply Suites Des Moines	7625 Office Plaza Drive N	Des Moines	IA	12/01/2020
Sonesta Simply Suites Kansas City Overland Park	11001 Oakmont	Overland Park	KS	12/01/2020
Sonesta Simply Suites Wichita Northeast	3141 N Webb Road	Wichita	KS	12/01/2020
Sonesta Simply Suites Wichita Airport	570 South Julia	Wichita	KS	12/01/2020
Sonesta ES Suites New Orleans Convention Center	345 St. Joseph Street	New Orleans	LA	02/12/2021
Sonesta ES Suites Baton Rouge	4001 Nicholson Drive	Baton Rouge	LA	12/01/2020
Sonesta ES Suites Annapolis	170 Admiral Cochrane Drive	Annapolis	MD	02/10/2021
Sonesta Select Columbia	8910 Stanford Boulevard	Columbia	MD	03/02/2021
Sonesta Select Greenbelt	6301 Golden Triangle Drive	Greenbelt	MD	12/15/2020
Sonesta ES Suites Baltimore BWI Airport	1160 Winterson Road	Linthicum Heights	MD	02/08/2021
Sonesta Simply Suites Baltimore BWI Airport	1247 Winterson Road	Linthicum Heights	MD	12/01/2020
Sonesta Simply Suites Boston Braintree	235 Wood Road	Braintree	MA	12/01/2020
Sonesta Simply Suites Boston Burlington	130 Middlesex Turnpike	Burlington	MA	12/01/2020
Sonesta Select Boston Danvers	275 Independence Way	Danvers	MA	02/05/2021
Sonesta Select Boston Foxborough	35 Foxborough Boulevard	Foxborough	MA	02/01/2021
Sonesta Select Boston Lowell	30 Industrial Avenue East	Lowell	MA	02/01/2021
Sonesta Select Boston Milford	10 Fortune Boulevard	Milford	MA	02/05/2021
Sonesta Select Boston Stoughton	200 Technology Center Drive	Stoughton	MA	02/03/2021
Sonesta ES Suites Boston Westborough	25 Connector Road	Westborough	MA	02/01/2021
Sonesta Select Boston Woburn	240 Mishawum Road	Woburn	MA	12/15/2020

Sonesta Simply Suites Detroit Ann Arbor	701 Waymarket Way	Ann Arbor	MI	12/01/2020
Sonesta Select Detroit Auburn Hills	2550 Aimee Lane	Auburn Hills	MI	02/12/2021
Sonesta Simply Suites Detroit Novi	42600 West Eleven Mile Road	Novi	MI	02/10/2021
Sonesta Select Detroit Novi	42700 W. Eleven Mile Road	Novi	MI	02/10/2021
Sonesta Simply Suites Detroit Southfield	1 Corporate Drive	Southfield	MI	12/01/2020
Sonesta Simply Suites Detroit Troy	2550 Troy Center Dr	Troy	MI	12/01/2020
Sonesta Simply Suites Detroit Warren	7010 Convention Blvd	Warren	MI	12/01/2020
Sonesta ES Suites Detroit Warren	30120 North Civic Center Boulevard	Warren	MI	02/08/2021
Sonesta Select Minneapolis	11391 Viking Drive	Eden Prairie	MN	02/12/2021
Sonesta Simply Suites Minneapolis Richfield	351 West 77th Street	Minneapolis	MN	12/01/2020
Royal Sonesta Minneapolis	35-45 South 7th Street	Minneapolis	MN	11/01/2021
Sonesta Simply Suites St Louis Earth City	3250 Rider Trail S	Earth City	MO	12/01/2020
Sonesta Select Kansas City Airport	7901 N.W. Tiffany Springs Parkway	Kansas City	MO	02/10/2021
Sonesta Select Kansas City South	500 E. 105th Street	Kansas City	MO	02/10/2021
Sonesta Select Kansas City Airport Prairie View	7600 NW 97th Terrace	Kansas City	MO	06/02/2021
Sonesta Simply Suites Las Vegas	4034 South Paradise Road	Las Vegas	NV	12/01/2020
Sonesta Select Las Vegas	1901 North Rainbow Boulevard	Las Vegas	NV	02/12/2021
Sonesta ES Suites Reno	9845 Gateway Drive	Reno	NV	02/10/2021
Sonesta Hamilton Park Morristown	175 Park Avenue	Florham Park	NJ	10/01/2020
Sonesta Jersey City	21 2nd Street	Jersey City	NJ	12/01/2020
Sonesta Select Mahwah	140 Route 17 South	Mahwah	NJ	02/12/2021
Sonesta Parsippany Morris Plains	100 Candlewood Drive	Morris Plains	NJ	12/01/2020

Sonesta Simply Suites Philadelphia Mount Laurel	4000 Crawford Place	Mount Laurel	NJ	12/01/2020
Sonesta ES Suites Parsippany Morris Plains	3 Gatehall Drive	Parsippany	NJ	02/12/2021
Sonesta Simply Suites Somerset	41 World's Fair Drive	Somerset	NJ	12/01/2020
Sonesta Select Tinton Falls	600 Hope Road	Tinton Falls	NJ	02/08/2021
Sonesta Select Whippany	157 Route 10 East	Whippany	NJ	02/10/2021
Sonesta Simply Suites Albuquerque	3025 Menaul Blvd NE	Albuquerque	NM	12/01/2020
Sonesta ES Suites Albuquerque	3300 Prospect Avenue, NE	Albuquerque	NM	02/10/2021
Sonesta Nanuet Rockland County	20 Overlook Boulevard	Nanuet	NY	12/01/2020
Sonesta White Plains	66 Hale Avenue	White Plains	NY	12/01/2020
Sonesta ES Suites Raleigh Cary	2900 Regency Parkway	Cary	NC	02/01/2021
Sonesta Simply Suites Charlotte University	8812 University East Drive	Charlotte	NC	12/01/2020
Sonesta Charlotte	5700 Westpark Drive	Charlotte	NC	12/01/2020
Sonesta Select Charlotte University	333 West W.T. Harris Boulevard	Charlotte	NC	02/03/2021
Sonesta Select Durham	Highway 54 East 301 Residence Inn Blvd.	Durham	NC	12/15/2020
Sonesta Select Raleigh Durham Airport	2001 Hospitality Court	Morrisville	NC	02/05/2021
Sonesta ES Suites Raleigh Durham Airport	2020 Hospitality Court	Morrisville	NC	02/05/2021
Sonesta Columbus	33 East Nationwide Blvd	Columbus	OH	12/01/2020
Sonesta Simply Suites Columbus Airport	590 Taylor Rd	Gahanna	OH	12/01/2020
Sonesta Simply Suites Cleveland North Olmsted	24741 Country Club Blvd	N Olmstead	OH	12/01/2020
Sonesta Simply Suites Oklahoma City Airport	4400 River Park Drive	Oklahoma City	OK	12/01/2020
Royal Sonesta Portland	506 SW Washington Street	Portland	OR	12/01/2020

Sonesta Select Allentown Bethlehem	2160 Motel Drive	Allentown	PA	02/03/2021
Sonesta ES Suites Allentown Bethlehem	2180 Motel Drive	Bethlehem	PA	02/03/2021
Sonesta Simply Suites Philadelphia Willow Grove	250 Business Center Drive	Horsham	PA	12/01/2020
Sonesta Select Philadelphia Airport	8900 Bartram Avenue	Philadelphia	PA	03/02/2021
Sonesta Simply Suites Pittsburgh Airport	100 Chauvet Drive	Pittsburgh	PA	12/01/2020
Sonesta Select Newport Middletown	9 Commerce Drive	Middletown	RI	02/08/2021
Sonesta Select Spartanburg	110 Mobile Drive	Spartanburg	SC	12/15/2020
Sonesta ES Suites Nashville Brentwood	206 Ward Circle	Brentwood	TN	02/12/2021
Sonesta Simply Suites Nashville Brentwood	5129 Virginia Way	Brentwood	TN	12/01/2020
Sonesta Select Chattanooga	2210 Bams Drive	Chattanooga	TN	12/15/2020
Sonesta Simply Suites Knoxville	10206 Parkside Drive	Knoxville	TN	12/01/2020
Sonesta Nashville Airport	600 Marriott Drive	Nashville	TN	03/02/2021
Sonesta Select Nashville Airport Suites	1100 Airport Center Drive	Nashville	TN	02/08/2021
Sonesta Simply Suites Arlington	2221 Brookhollow Plaza Dr	Arlington	TX	12/01/2020
The Stephen F Austin Royal Sonesta Hotel	701 Congress Avenue	Austin	TX	12/01/2020
Sonesta Simply Suites Austin South	4320 IH 35 Frontage Road	Austin	TX	12/01/2020
Sonesta Simply Suites Austin Arboretum	9701 Stonelake Boulevard	Austin	TX	12/01/2020
Sonesta ES Suites Austin Arboretum	10201 Stonelake Blvd	Austin	TX	12/01/2020
Sonesta Select Austin North	7522 North Interstate Highway 35	Austin	TX	06/02/2021
Sonesta ES Suites Dallas Market Center	6950 North Stemmons Freeway	Dallas	TX	02/03/2021
Sonesta Suites Dallas Park Central	7800 Alpha Road	Dallas	TX	09/25/2020
Sonesta ES Suites Dallas Park Central	7880 Alpha Road	Dallas	TX	09/25/2020

Sonesta Select Dallas Central Expressway	10325 N. Central Expressway	Dallas	TX	02/01/2021
Sonesta ES Suites Dallas Central Expressway	10333 North Central Expressway	Dallas	TX	02/01/2021
Sonesta Simply Suites Dallas Richardson	12525 Greenville Ave	Dallas	TX	12/01/2020
Sonesta Simply Suites Dallas Galleria	13939 Noel Road	Dallas	TX	12/01/2020
Sonesta Select Fort Worth	3751 NE Loop 820	Fort Worth	TX	12/15/2020
Sonesta Simply Suites Fort Worth	5201 Endicott Avenue	Fort Worth	TX	12/01/2020
Sonesta ES Suites Fort Worth	5801 Sandshell Drive	Fort Worth	TX	02/03/2021
Sonesta Simply Suites Houston Clear Lake	2737 Bay Area Blvd	Houston	TX	12/01/2020
Sonesta Simply Suites Houston Galleria	4900 Loop Central Dr	Houston	TX	12/01/2020
Sonesta Simply Suites Houston City Centre	10503 Town & Country Way	Houston	TX	12/01/2020
Sonesta Simply Suites Houston Westchase	4033 W Sam Houston Parkway	Houston	TX	12/01/2020
Sonesta ES Suites Dallas - Las Colinas	1201 Executive Circle	Irving	TX	12/01/2020
Sonesta Simply Suites Dallas Las Colinas	5300 Green Park Drive	Irving	TX	12/01/2020
Sonesta Simply Suites Plano	4701 Legacy Drive	Plano	TX	12/01/2020
Sonesta ES Suites Dallas Richardson	1040 Waterwood Drive	Richardson	TX	02/01/2021
Sonesta Select Dallas Richardson	2191 N. Greenville Avenue	Richardson	TX	02/01/2021
Sonesta ES Suites San Antonio Downtown	425 Bonham Street	San Antonio	TX	02/05/2021
Sonesta Simply Suites San Antonio Northwest	9350 IH 10 West	San Antonio	TX	12/01/2020
Sonesta ES Suites San Antonio Northwest	4320 Spectrum One	San Antonio	TX	12/01/2020
Sonesta Simply Suites Salt Lake City Airport	2170 West North Temple	Salt Lake City	UT	12/01/2020
Sonesta Select Arlington	1533 Clarendon Boulevard	Arlington	VA	02/05/2021

Sonesta ES Suites Charlottesville	1111 Millmont Street	Charlottesville	VA	02/05/2021
Sonesta ES Suites Fairfax	12815 Fairlakes Parkway	Fairfax	VA	02/01/2021
Sonesta Simply Suites Falls Church	205 Hillwood Avenue	Falls Church	VA	02/03/2021
Sonesta Simply Suites Hampton	401 Butler Farm Road	Hampton	VA	12/01/2020
Sonesta ES Suites Dulles Airport	13700 Coppermine Rd	Herndon	VA	12/01/2020
Sonesta Select Seattle Bellevue	14615 NE 29th Place	Bellevue	WA	02/03/2021
Sonesta Select Seattle Renton	200 SW 19th Street	Renton	WA	02/05/2021
Sonesta Simply Suites Seattle Renton	300 SW 19th Street	Renton	WA	02/05/2021
The Alexis Royal Sonesta Hotel	1007 First Avenue	Seattle	WA	12/01/2020
Sonesta ES Suites Vancouver - Portland West	7301 NE 41st Street	Vancouver	WA	12/01/2020
Sonesta ES Suites Charleston	200 Hotel Circle	Charleston	WV	02/12/2021
Sonesta Select Milwaukee Brookfield	16865 W. Bluemound Road	Brookfield	WI	03/02/2021
Sonesta Milwaukee West	10499 Innovation Drive	Milwaukee	WI	12/01/2020
The Yorkville Royal Sonesta Hotel	220 Bloor Street	Toronto	Ontario	12/15/2020
Sonesta ES Suites Toronto	355 South Park Road	Toronto	Ontario	12/15/2020
Royal Sonesta San Juan	5961 Isla Verde Avenue	Carolina	PR	12/15/2020

Exhibit 22.1
List of Guarantor Subsidiaries

The following subsidiaries of Service Properties Trust, a Maryland real estate investment trust (the "Trust"), jointly and severally and fully and unconditionally, guaranteed the Trust's 7.50% Senior Notes due 2025 and the Trust's 5.50% Senior Notes due 2027:

Exact Name of Guarantor Subsidiary	Jurisdiction
Cambridge TRS, Inc.	Maryland
Harbor Court Associates, LLC	Maryland
Highway Ventures Borrower LLC	Delaware
Highway Ventures LLC	Delaware
HPT Clift TRS LLC	Maryland
HPT CW MA Realty LLC	Maryland
HPT CW MA Realty Trust	Massachusetts
HPT CY TRS, Inc.	Maryland
HPT Geary ABC Holdings LLC	Maryland
HPT Geary Properties Trust	Maryland
HPT IHG Chicago Property LLC	Maryland
HPT IHG GA Properties LLC	Maryland
HPT IHG-2 Properties Trust	Maryland
HPT IHG-3 Properties LLC	Maryland
HPT SN Holding, Inc.	New York
HPT State Street TRS LLC	Maryland
HPT Suite Properties Trust	Maryland
HPT TA Properties Trust	Maryland
HPT TRS IHG-2, Inc.	Maryland
HPT TRS Inc.	Maryland
HPT TRS MRP, Inc.	Maryland
HPT TRS SPES II, Inc.	Maryland
HPT TRS WYN, Inc.	Maryland
HPT Wacker Drive TRS LLC	Maryland
HPTCY Properties Trust	Maryland
HPTMI Hawaii, Inc.	Delaware
HPTMI Properties Trust	Maryland
SVC Gatehall Drive TRS LLC	Maryland
SVC Holdings LLC	Maryland
SVC Jersey City TRS LLC	Maryland
SVC Minneapolis TRS LLC	Maryland

SVC Morris Plains TRS LLC	Maryland
SVC Nanuet TRS LLC	Maryland
SVC NJ TRS LLC	Maryland
SVC Randolph Street TRS LLC	Maryland
SVC Redondo Beach TRS LLC	Maryland
SVCN 1 LLC	Delaware
SVCN 2 LLC	Delaware
SVCN 3 LLC	Delaware
SVCN 4 LLC	Delaware
SVCN 5 LLC	Delaware

Exhibit 31.1

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: November 4, 2021

/s/ John G. Murray
John G. Murray
Managing Trustee, President and Chief Executive Officer

Exhibit 31.2

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: November 4, 2021

/s/ Brian E. Donley
Brian E. Donley
Chief Financial Officer and Treasurer

Exhibit 32.1

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 September 30, 2021 (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	/s/ Brian E. Donley
John G. Murray Managing Trustee, President and Chief Executive Officer	Brian E. Donley Chief Financial Officer and Treasurer

Date: November 4, 2021