UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2017

OR

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

For the transition period from to

Commission File Number: 001-35074

SUMMIT HOTEL PROPERTIES, INC.

(Exact name of registrant as specified in its charter)

Maryland	**27-2962512**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

13215 Bee Cave Parkway, Suite B-300
Austin, TX 78738
(Address of principal executive offices, including zip code)

(512) 538-2300
(Registrant's telephone number, including area code)

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

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.01 per share	**New York Stock Exchange**
7.125% Series C Cumulative Redeemable Preferred Stock, par value $0.01 per share	**New York Stock Exchange**
6.45% Series D Cumulative Redeemable Preferred Stock, par value $0.01 per share	**New York Stock Exchange**
6.25% Series E Cumulative Redeemable Preferred Stock, par value $0.01 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405) of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒ Yes ☐ No

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
(Do not check if a 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

The aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates of the registrant's as of June 30, 2017 was $1,913,063,885 based on the closing sale price of the registrant's common stock on the New York Stock Exchange as of June 30, 2017 .

As of February 15, 2018 the number of outstanding shares of common stock of Summit Hotel Properties, Inc. was 104,326,620.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement on Schedule 14A for its 2018 annual meeting of stockholders, to be filed with the Securities and Exchange Commission not later than 120 days after the end of the fiscal year pursuant to Regulation 14A, are incorporated herein by reference into Part III, Items 10, 11, 12, 13 and 14.

ANNUAL REPORT ON FORM 10-K
FISCAL YEAR ENDED DECEMBER 31, 2017
SUMMIT HOTEL PROPERTIES, INC.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "forecast," "project," "potential," "continue," "likely," "will," "would" or similar expressions. Forward-looking statements in this report include, among others, statements about our business strategy, including acquisition and development strategies, industry trends, estimated revenues and expenses, ability to realize deferred tax assets and expected liquidity needs and sources (including capital expenditures and the ability to obtain financing or raise capital). You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and which could materially affect actual results, performances or achievements. Factors that may cause actual results to differ materially from current expectations include, but are not limited to:

- financing risks, including the risk of leverage and the corresponding risk of default on our existing indebtedness and potential inability to refinance or extend the maturities of our existing indebtedness as well as the risk of default by borrowers to which we lend or provide seller financing;
- global, national, regional and local economic and geopolitical conditions;
- levels of spending for business and leisure travel, as well as consumer confidence;
- supply and demand factors in our markets or sub-markets;
- adverse changes in, or declining rates of growth with respect to, occupancy, average daily rate ("ADR") and revenue per available room ("RevPAR") and other hotel operating metrics;
- hostilities, including future terrorist attacks, or fear of hostilities that affect travel;
- financial condition of, and our relationships with, third-party property managers and franchisors;
- the degree and nature of our competition;
- increased interest rates;
- increased operating costs;
- increased renovation costs, which may cause actual renovation costs to exceed our current estimates;
- changes in zoning laws and increases in real property taxes;
- risks associated with hotel acquisitions, including the ability to ramp up and stabilize newly acquired hotels with limited or no operating history or that require substantial amounts of capital improvements for us to earn stabilized economic returns consistent with our expectations at the time of acquisition, and risks associated with dispositions of hotel properties, including our ability to successfully complete the sale of hotel properties under contract to be sold, including the risk that the purchaser may not have access to the capital needed to complete the purchase;
- the nature of our structure and transactions such that our federal and state taxes are complex and there is risk of successful challenges to our tax positions by the Internal Revenue Service ("IRS") or other federal and state taxing authorities;
- the recognition of taxable gains from the sale of hotel properties as a result of the inability to complete certain like-kind exchanges in accordance with Section 1031 of the Internal Revenue Code of 1986, as amended (the "IRC");
- availability of and our ability to retain qualified personnel;
- our failure to maintain our qualification as a real estate investment trust ("REIT") under the IRC;
- changes in our business or investment strategy;
- availability, terms and deployment of capital;
- general volatility of the capital markets and the market price of our common stock;
- environmental uncertainties and risks related to natural disasters;
- our ability to recover fully under our existing insurance policies for insurable losses and our ability to maintain adequate or full replacement cost "all-risk" property insurance policies on our properties on commercially reasonable terms;
- the effect of a data breach or significant disruption of hotel operator information technology networks, including as a result of cyber attacks, beyond insurance coverages or indemnities from service providers;
- current and future changes to the IRC; and
- the other factors discussed under the heading "Risk Factors" in this report.

Accordingly, there is no assurance that our expectations will be realized. Except as otherwise required by the federal securities laws, we disclaim any obligations or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

PART I

Item 1. Business.

Unless the context otherwise requires, all references to "we", "us," "our," or the "Company" refer to Summit Hotel Properties, Inc. and its consolidated subsidiaries.

Overview

Summit Hotel Properties, Inc. is a self-managed hotel investment company that was organized in June 2010 and completed its initial public offering ("IPO") in February 2011. We focus on owning primarily premium-branded, select-service hotels. At December 31, 2017 , our portfolio consisted of 83 hotels with a total of 12,242 guestrooms located in 26 states. Except for seven hotels, six of which are subject to ground leases and one of which is subject to a PILOT (payment in lieu of tax es) lease, we own our hotels in fee simple.

As of December 31, 2017, 89.4% of our guestrooms were located in the top 50 metropolitan statistical areas ("MSAs"), 95.9% were located within the top 100 MSAs and 99.5% of our hotel guestrooms operate under premium franchise brands owned by Marriott® International, Inc. ("Marriott"), Hilton® Worldwide ("Hilton"), Intercontinental® Hotel Group ("IHG"), and Hyatt® Hotels Corporation ("Hyatt"). Our hotels are typically located in markets with multiple demand generators such as corporate offices and headquarters, retail centers, airports, state capitols, convention centers, and leisure attractions.

Substantially all of our assets are held by, and all of our operations are conducted through, our operating partnership, Summit Hotel OP, LP (the "Operating Partnership"). Through a wholly-owned subsidiary, we are the sole general partner of the Operating Partnership. At December 31, 2017 , we owned, directly and indirectly, approximately 99.7% of the Operating Partnership's issued and outstanding common units of limited partnership interest ("Common Units"), and all of the Operating Partnership's issued and outstanding Series C, Series D, and Series E preferred units of limited partnership interest ("Preferred Units"). Pursuant to the Operating Partnership's partnership agreement, we have full, exclusive and complete responsibility and discretion in the management and control of the Operating Partnership, including the ability to cause the Operating Partnership to enter into certain major transactions including acquisitions, dispositions and refinancings, to make distributions to partners and to cause changes in the Operating Partnership's business activities.

We have elected to be taxed as a REIT for federal income tax purposes commencing with our short taxable year ended December 31, 2011. To qualify as a REIT, we cannot operate or manage our hotels. Accordingly, all of our hotels are leased to wholly-owned subsidiaries (our "TRS lessees") of Summit Hotel TRS, Inc., our taxable REIT subsidiary. All of our hotels are operated pursuant to hotel management agreements between our TRS lessees and professional third-party hotel management companies that are not affiliated with us. We have one reportable segment as defined by generally accepted accounting principles ("GAAP"). See Item 8. – "Financial Statements and Supplementary Data – Note 2 – Basis of Presentation and Significant Accounting Policies."

Our corporate offices are located at 13215 Bee Cave Parkway, Suite B-300, Austin, TX 78738. Our telephone number is (512) 538-2300. Our website is *www.shpreit.com* . The information contained on, or accessible through, our website is not incorporated by reference into this report and should not be considered a part of this report.

Business Strategy

Our strategy includes focused asset management, targeted capital investment and strategic transactions, including increasing the value of the Company through transformation of our portfolio, or capital recycling, by selling assets with lower operating margins and RevPAR growth opportunities and purchasing assets with higher operating margins and RevPAR growth opportunities. Our primary objective is to enhance stockholder value over time by generating strong, risk-adjusted returns. The key elements of our strategy that we believe will allow us to create long-term value include the following:

Focus on Premium-Branded Hotels . We primarily focus on hotels in the Upscale segment of the lodging industry, as defined by Smith Travel Research ("STR"). We believe that our focus on this segment provides us the opportunity to achieve strong, risk-adjusted returns across multiple lodging cycles for several reasons, including:

- *RevPAR Growth* . We believe that our hotels will continue to experience long-term demand growth based on the characteristics of our portfolio and current industry fundamentals and trends in the Upscale segment. We expect to achieve RevPAR growth in markets where demand growth exceeds supply growth as anticipated by PricewaterhouseCoopers LLP's forecast for 2018.
- *Stable Cash Flow Potential* . Our hotels can generally be operated with fewer employees than full-service hotels that offer more amenities including more expansive food and beverage options, which we believe enables us to generate higher operating margins and consistent cash flows with less volatility.
- *Broad Customer Base* . Our target brands deliver consistently high-quality hotel accommodations with value-oriented pricing that we believe appeals to a wide range of customers, including both business and leisure travelers. We believe that our hotels are particularly popular with frequent business travelers who seek to stay in hotels operating under Marriott, Hilton, Hyatt, or IHG brands, which offer strong loyalty rewards program points that can be redeemed for travel.
- *Enhanced Diversification* . Premium-branded Upscale hotels generally cost less to acquire or build, on an absolute and a per-key basis, than hotels in the Upper-upscale and Luxury segments of the industry. As a result, we can diversify our investment capital into ownership of a larger number of hotels than we could in more expensive segments.

Capitalize on Investments in Our Hotels . We strongly believe in investing in our properties to enable them to be performance leaders in their respective markets. Over the past three years, we have invested $122.8 million in capital improvements to our hotels. We believe these investments produce attractive returns, and we intend to continue to use available capital to upgrade our hotels with strategic renovations and brand-required hotel property improvement plans.

External Growth Through Acquisitions. We intend to continue to grow through acquisitions of existing hotels using a disciplined approach, while maintaining a prudent capital structure. We generally target premium-branded hotels that meet one or more of the following acquisition criteria:

- potential for strong risk-adjusted returns and are located in the top 50 MSAs and other select markets;
- can operate under leading franchise brands, which may include but are not limited to brands owned by Marriott, Hilton, Hyatt, and IHG;
- located in close proximity to multiple demand generators, such as corporate offices and headquarters, retail centers, airports, state capitols, convention centers, and leisure attractions, with a diverse source of potential guests, including corporate, government and leisure travelers;
- located in markets with barriers to entry due to strong franchise areas of protection or other factors;
- can be acquired at a discount to replacement cost; and
- provide an opportunity to add value through operating efficiencies, repositioning, renovating or rebranding.

Strategic Hotel Sales (Capital Recycling Program). We seek to maximize our return on invested capital and we periodically review our hotels to determine if any significant changes to area markets or our hotels have occurred or are anticipated to occur that would warrant the sale of a hotel or hotels. We intend to continue to pursue a disciplined capital allocation strategy designed to maximize the value of our investments by selectively selling hotel properties that we believe are no longer consistent with our investment strategy or whose returns on invested capital appear to have been maximized. To the extent that we sell hotel properties, we intend to redeploy the capital into acquisition and capital investment opportunities that we believe have the potential to generate significant improvements in RevPAR and earnings before interest, taxes, depreciation and amortization (“EBITDA”). We expect to generate these improvements with our proactive asset management approach and by investing in our hotels to enhance their quality and attractiveness, increase their long-term value and generate more favorable returns on our invested capital. Alternatively, we may redeploy our capital into the purchase of assets with a higher potential long-term return.

Selectively Develop Hotels . We seek to identify attractive opportunities to selectively partner with experienced hotel developers to acquire, upon completion, newly constructed hotels that meet our acquisition criteria. We will consider unique opportunities to develop hotels utilizing our own resources if and when circumstances warrant.

Selective Mezzanine Lending. We seek to identify select opportunities to provide mezzanine lending to developers, where we also have the opportunity to acquire the hotel at or after the completion of the development project.

Our Financing Strategy

We rely on cash provided by operations, working capital, borrowings under our $450 million senior unsecured credit and term loan facility, term debt, repayment of notes receivable, proceeds from the issuance of securities, the strategic sale of hotels and the release of restricted cash upon satisfaction of the usage requirements to finance our business. While the ratio will vary from time to time, we generally intend to limit our ratio of net debt to EBITDA, which amount may be adjusted for non-cash and non-recurring items, to no more than 6.5x. At December 31, 2017 , our ratio of net debt to EBITDA was 3.9x. For purposes of calculating this ratio, we exclude preferred stock from indebtedness. During 2017 , we financed our long-term growth with borrowings under our $450 million senior unsecured credit and term loan facility and term loans, issuance of securities, and proceeds from the strategic sale of hotels and intend to continue to do so in the future. Our debt includes, and may include in the future, mortgage debt secured by hotels and unsecured debt. As of December 31, 2017 , we had $873.1 million in outstanding indebtedness.

When purchasing hotel properties, the Operating Partnership may issue Common Units or Preferred Units as full or partial consideration to sellers who may be interested in taking advantage of the opportunity to defer taxable gains on the sale of a property or participate in the potential appreciation in the value of our common stock.

Competition

We face competition for investments in hotel properties from institutional pension funds, private equity investors, REITs, hotel companies and others who are engaged in hotel acquisitions and investments. Some of these entities have substantially greater financial and operational resources than we have. This competition may increase the bargaining power of property owners seeking to sell, reduce the number of suitable investment opportunities available to us and increase the cost of acquiring targeted hotel properties.

The lodging industry is highly competitive. Our hotels compete with other hotels and alternative accommodations for guests in their respective markets based on a number of factors, including location, convenience, brand affiliation, quality of the physical condition of the hotel, guestroom rates, range of services and guest amenities or accommodations offered and quality of customer service. Competition is often specific to the individual markets in which our hotels are located and includes competition from existing and new hotels. Competition could adversely affect our occupancy rates, our ADR and our RevPAR, and may require us to provide additional amenities or make capital improvements that we otherwise would not have to make, which may reduce our profitability.

Seasonality

Certain segments of the hotel industry are seasonal in nature. Leisure travelers tend to travel more during the summer. Business travelers occupy hotels relatively consistently throughout the year, but decreases in business travel occur during summer and the winter holidays. The hotel industry is also seasonal based upon geography. Hotels in the southern U.S. tend to have higher occupancy rates during the winter months. Hotels in the northern U.S. tend to have higher occupancy rates during the summer months.

Regulation

Our properties are subject to various covenants, laws, ordinances and regulations, including regulations relating to accessibility, fire and safety requirements. We believe each of our hotels has the necessary permits and approvals to operate its business.

Americans with Disabilities Act of 1990 ("ADA")

Our properties must comply with Title III of the ADA to the extent that they are "public accommodations" as defined by the ADA. Under the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. The ADA may require removal of structural barriers to access by persons with disabilities in certain public areas of our properties where removal is readily achievable. Although we believe the properties in our portfolio substantially comply with present requirements of the ADA, a determination to the contrary could require removal of access barriers and non-compliance could result in litigation costs, costs to remediate deficiencies, U.S. government fines or in damages to private litigants. The obligation to make readily achievable accommodations is an ongoing one, and we will continue to assess our properties and to make alterations as appropriate in this respect.

Environmental, Health and Safety Matters

Our hotels and development land parcels are subject to various federal, state and local environmental laws that impose liability for contamination. Under these laws, governmental entities have the authority to require us, as the current owner of property, to perform or pay for the cleanup of contamination (including hazardous substances, waste, or petroleum products) at, on, under or emanating from the property and to pay for natural resource damages arising from contamination. These laws often impose liability without regard to whether the owner or operator or other responsible party knew of, or caused the contamination, and the liability may be joint and several. Because these laws also impose liability on persons who owned a property at the time it became contaminated, we could incur cleanup costs or other environmental liabilities even after we sell properties. Contamination at, on, under or emanating from our properties also may expose us to liability to private parties for costs of remediation, personal injury and death or property damage. In addition, environmental liens may be created on contaminated sites in favor of the government for damages and costs it incurs to address contamination. If contamination is discovered on our properties, environmental laws also may impose restrictions on the manner in which our property may be used or our businesses may be operated, and these restrictions may require substantial expenditures. Moreover, environmental contamination can affect the value of a property and therefore, an owner's ability to borrow funds using the property as collateral or to sell the property on favorable terms or at all. Furthermore, persons who sent waste to a waste disposal facility, such as a landfill or an incinerator, may be liable for costs associated with cleanup of that facility.

Some of our properties may have contained historical uses which involved the use or storage of hazardous chemicals and petroleum products (for example, storage tanks, gas stations and dry cleaning operations) which if released, could have affected our properties. In addition, some of our properties may be near or adjacent to other properties that have contained or currently contain storage tanks containing petroleum products or conducted or currently conduct operations which use other hazardous or toxic substances. Releases from these adjacent or surrounding properties could affect our properties and we may be liable for any associated cleanup.

Independent environmental consultants conducted Phase I environmental site assessments on all of our properties prior to acquisition and we intend to conduct Phase I environmental site assessments on properties we acquire in the future. Phase I site assessments are intended to discover and evaluate information regarding the environmental condition of the surveyed properties and surrounding properties. These assessments do not generally include soil sampling, subsurface investigations or comprehensive asbestos surveys. In some cases, the Phase I environmental site assessments were conducted by another entity such as a lender, and we may not have the authority to rely on such reports. A few of our properties have experienced environmental contamination prior to our ownership, but all contamination has been remediated to the satisfaction of state regulatory agencies. None of the Phase I environmental site assessments of the hotel properties in our portfolio revealed any past or present environmental condition that we believe could have a material adverse effect on our business, financial position or results of operations. In addition, the Phase I environmental site assessments may also have failed to reveal all environmental conditions, liabilities or compliance concerns. The Phase I environmental site assessments were completed at various times and material environmental conditions, liabilities or compliance concerns may have arisen after the review was completed or may arise in the future; and future laws, ordinances or regulations may impose material additional environmental liability.

In addition, our hotels (including our real property, operations and equipment) are subject to various federal, state and local environmental, health and safety regulatory requirements that address a wide variety of issues, including, but not limited to the existence of mold and other airborne contaminants above regulatory thresholds, the registration, maintenance and operation of our boilers and storage tanks, the supply of potable water to our guests, air emissions from emergency generators, storm water and wastewater discharges, protection of natural resources, asbestos, lead-based paint, and waste management. Some of our hotels also routinely handle and use hazardous or regulated substances and wastes as part of their operations (for example, swimming pool chemicals or biological waste). Our hotels incur costs to comply with these environmental, health and safety laws and regulations and if these regulatory requirements are not met or unforeseen events result in the discharge of dangerous or toxic substances at our hotels, we could be subject to fines and penalties for non-compliance with applicable laws and material liability from third parties for harm to the environment, damage to real property or personal injury or death. We are aware of no past or present environmental liability for non-compliance with environmental, health and safety laws and regulations that we believe would have a material adverse effect on our business, financial position or results of operations.

Tax Status

REIT Election

We have elected to be taxed as a REIT for federal income tax purposes commencing with our short taxable year ended December 31, 2011. Our qualification as a REIT depends upon our ability to meet, on a continuing basis, through actual investment and operating results, various complex requirements under the IRC relating to, among other things, the sources of our gross income, the composition and values of our assets, the timing and amount of our dividend distributions and the diversity of ownership of our stock. We believe that we have been organized and have operated in conformity with the requirements for qualification as a REIT under the IRC and that our current and intended manner of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT for federal income tax purposes.

In order for the income from our hotel operations to constitute "rents from real property" for purposes of the gross income tests required for REIT qualification, we cannot directly operate any of our hotel properties. Accordingly, all of our hotels are leased to our TRS lessees, which are wholly-owned subsidiaries of Summit Hotel TRS, Inc. (our "TRS"). Our TRS is a "taxable REIT subsidiary," which is a corporate subsidiary of a REIT that jointly elects with the REIT to be treated as a TRS and pays federal income tax at regular corporate rates on its taxable income. We will lease newly acquired hotels to our existing TRS or additional TRSs in the future. Our TRS lessees pay rent to us that will qualify as "rents from real property," provided that the TRS lessees engage "eligible independent contractors" to manage our hotels. All of our hotels are operated pursuant to hotel management agreements with professional third-party hotel management companies. We believe each of the third-party managers qualifies as an "eligible independent contractor" under the IRC.

As a REIT, we generally will not be subject to federal income tax on our REIT taxable income that we distribute as dividends to our stockholders. Under the IRC, REITs are subject to numerous organizational and operational requirements, including a requirement that they distribute each year at least 90% of their taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains, which does not necessarily equal net income as calculated in accordance with GAAP. If we fail to qualify for taxation as a REIT in any taxable year and do not qualify for certain statutory relief provisions, our income for that year will be taxed at regular corporate rates, and we will be unable to re-elect REIT status until the fifth calendar year after the year in which we failed to qualify as a REIT, unless we satisfy certain relief provisions. Even if we qualify as a REIT for federal income tax purposes, we may still be subject to state and local taxes on our income and assets and to federal income and excise taxes on our undistributed income. Additionally, any income earned by our TRS will be fully subject to federal, state and local corporate income tax.

Recent Tax Legislation

On December 22, 2017, H.R. 1, originally known as the Tax Cuts and Jobs Act (the "TCJA"), was enacted. The TCJA made many significant changes to the U.S. federal income tax laws applicable to businesses and their owners, including REITs and their stockholders. Pursuant to this legislation, as of January 1, 2018, (1) the federal income tax rate applicable to corporations is reduced to 21%, (2) the highest marginal individual income tax rate is reduced to 37% (through taxable years ending in 2025), (3) the corporate alternative minimum tax is repealed, and (4) the backup withholding rate for U.S. stockholders is reduced to 24%. In addition, individuals, estates and trusts may deduct up to 20% of certain pass-through income, including ordinary REIT dividends that are not "capital gain dividends" or "qualified dividend income," subject to certain limitations. For taxpayers qualifying for the full deduction, the effective maximum tax rate on ordinary REIT dividends would be 29.6% (through taxable years ending in 2025). The maximum rate of withholding with respect to our distributions to non-U.S. stockholders that are treated as attributable to gains from the sale or exchange of U.S. real property interests is also reduced from 35% to 21%. The deduction of net interest expense is limited for all businesses; provided that certain businesses, including real estate businesses, may elect not to be subject to such limitations and instead to depreciate their real property related assets over longer depreciable lives. The reduced corporate tax rate will apply to our TRS and any other TRS that we form.

The reduced 21% federal income tax rate applicable to corporations will apply to taxable earnings reported for the full 2018 fiscal year. Accordingly, we have remeasured our net deferred tax assets using the lower federal tax rate that will apply when these amounts are expected to reverse.

We recorded a $0.6 million discrete non-cash tax expense in the fourth quarter of 2017 as a result of the remeasurement of our net deferred tax assets due to the changes from the TCJA. The provisional remeasurement amount is an estimate and may change as data becomes available to make final adjustments to the scheduling of the deferred tax assets and liabilities.

We are still in the process of evaluating the income tax effect of other changes required by the TCJA that will be effective for our fiscal year 2018.

Employees

As of February 15, 2018 , we employ 49 full-time employees. The staff at our hotels are employed by our professional third-party hotel managers.

Available Information

Our Internet website is located at www.shpreit.com. Copies of the charters of the committees of our board of directors, our code of business conduct and ethics and our corporate governance guidelines are available on our website. We will provide timely disclosures of amendments and waivers to the aforementioned documents, if any, via website posting. All reports that we have filed with the Securities and Exchange Commission ("SEC") including this Annual Report on Form 10-K, our quarterly reports on Form 10-Q and our current reports on Form 8-K, can be obtained free of charge from the SEC's website at www.sec.gov or through our website. In addition, all reports filed with the SEC may be read and copied at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549-1090. Further information regarding the operation of the public reference room may be obtained by calling the SEC at 1-800-SEC-0330. The information contained on, or accessible through the SEC's website or our website is not incorporated by reference into this report and should not be considered a part of this report.

Item 1A. Risk Factors.

The following risk factors address the material risks concerning our business. If any of the risks discussed in this report were to occur, our business, prospects, financial condition, results of operation and our ability to service our debt and make distributions to our stockholders could be materially and adversely affected and the market price per share of our stock could decline significantly. Some statements in this report, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled "Cautionary Statement About Forward-Looking Statements." The discussion of the potential effect of the following risk factors on our financial results relates to our consolidated financial position, consolidated results of operations and cash flows.

Risks Related to Our Business

Our business strategy, future results of operations and growth prospects are dependent on achieving revenue and net income growth from anticipated increases in demand for hotel guestrooms and general economic conditions.

Our business strategy includes achieving continued revenue and cash flow growth from anticipated improvement in demand for hotel guestrooms as the economy continues to grow. We, however, cannot provide any assurances that demand for hotel guestrooms will increase from current levels or continue to exceed the growth of new supply, or the time or extent of any demand growth that we do experience. If demand does not continue to increase as the economy grows, or if there is a setback in the general economy resulting in weakening demand, our operating results and growth prospects could be adversely affected. As a result, any slowdown in economic growth or a new economic downturn could adversely affect our future results of operations and our growth prospects.

Our expenses may not decrease if our revenue decreases.

Many of the expenses associated with owning and operating hotels, such as debt service payments, property taxes, insurance, utilities, and certain components of employee compensation, are relatively fixed. They do not necessarily decrease directly with a reduction in revenue at the hotels and may be subject to increases that are not related to the performance of our hotels or the increase in the rate of inflation. Also, as of December 31, 2017, six of our hotels are subject to third-party ground leases, and one hotel is subject to a payment-in-lieu-of-taxes lease, which generally require periodic increases in rent payments. Our ability to pay these rents could be adversely affected if our hotel revenues do not increase at the same or a greater rate than the increases in rental payments under the ground leases.

Additionally, certain costs, such as wages, benefits and insurance, may exceed the rate of inflation in any given period. In the event of a significant decrease in demand, our hotel managers may not be able to reduce the size of hotel work forces in order to decrease compensation costs. Our managers also may be unable to offset any fixed or increased expenses with higher room rates. Any of our efforts to reduce operating costs also could adversely affect the future growth of our business and the value of our hotel properties.

We may be unable to complete acquisitions that would grow our business.

Our growth strategy includes the disciplined acquisition of hotels as opportunities arise. Our ability to acquire hotels on satisfactory terms or at all is subject to the following significant risks:

- we may be unable to acquire, or may be forced to acquire at significantly higher prices, desired hotels because of competition from other real estate investors, including other real estate operating companies, REITs and investment funds;
- we may be unable to obtain the necessary debt or equity financing to consummate an acquisition or, if obtainable, financing may not be on satisfactory terms; and
- agreements for the acquisition of hotels are typically subject to customary conditions to closing, including satisfactory completion of due diligence investigations and the receipt of franchisor and lender consents, and we may spend significant time and incur significant transaction costs on potential acquisitions that we do not consummate.

Our inability to complete hotel acquisitions on favorable terms or at all, could adversely affect our financial position, results of operations, and cash flows or the market price of our stock.

The sale of certain hotel properties could result in significant tax liabilities unless we are able to defer the taxable gain through like-kind exchanges under Section 1031 of the IRC ("1031 Exchanges").

In general, we structure asset sales for possible inclusion in like-kind exchanges within the meaning of Section 1031 of the IRC. The ability to complete a like-kind exchange depends on many factors, including, among others, identifying and acquiring suitable replacement property within limited time periods, and the ownership structure of the properties being sold and acquired. Therefore, we are not always able to sell an asset as part of a like-kind exchange. When successful, a like-kind exchange enables us to defer the taxable gain on the asset sold. Our inability to defer the taxable gain resulting from the sales of certain hotel properties, could adversely affect our financial position, results of operations, and cash flows or the market price of our stock.

We may fail to successfully integrate acquired hotels or achieve expected operating performance.

Our ability to successfully integrate newly acquired hotels or achieve expected operating performance is subject to the following risks:

- we may not possess the same level of familiarity with the dynamics and market conditions of any new markets that we may enter, which could result in us paying too much for hotels in new markets or not have the hotels achieve their maximum potential;
- market conditions may result in lower than expected occupancy and guestroom rates;
- we may acquire hotels without any recourse, or with only limited recourse, for liabilities, whether known or unknown, such as cleanup of environmental contamination, claims by tenants, vendors or other persons against the former owners of the hotels and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the hotels;
- we may need to spend more than anticipated amounts to make necessary improvements or renovations to our newly acquired hotels; and
- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of hotels, into our existing operations.

The inability of our acquired hotels to meet our operating performance expectations could adversely affect our financial position, results of operations, and cash flows or the market price of our stock.

We may assume liabilities in connection with the acquisition of hotel properties, including unknown liabilities.

We may assume existing liabilities in connection with the acquisition of hotel properties, some of which may be unknown or unquantifiable on the acquisition date. Unknown liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions, claims of hotel guests, vendors or other persons dealing with the seller of a particular hotel property, tax liabilities, employment-related issues and accrued but unpaid liabilities whether incurred in the ordinary course of business or otherwise. If the magnitude of such unknown liabilities is high, they could adversely affect our financial position, results of operations, and cash flows or the market price of our stock.

We may not be able to cause our hotel management companies to operate any of our hotels in a manner that is satisfactory to us, and termination of our hotel management agreements may be costly and disruptive.

To qualify as a REIT, we cannot operate or manage our hotels. Accordingly, all of our hotels are leased to TRS lessees of our TRS. All of our hotels are operated pursuant to hotel management agreements with independent hotel management companies, each of which must qualify as an "eligible independent contractor" to operate our hotels. As a result, our financial position, results of operations and our ability to service debt and make distributions to stockholders are dependent on the ability of our hotel management companies to operate our hotels successfully. Any failure of our hotel management companies to provide quality services and amenities or maintain a quality brand name and reputation could have a negative effect on their ability to operate our hotels and could have a material adverse effect on our financial position, results of operations and cash flows.

Even if we believe a hotel is being operated inefficiently or in a manner that does not result in satisfactory operating results, we will have limited ability to require the hotel management company to change its method of operation. We generally attempt to resolve issues with our hotel management companies through discussions and negotiations, but otherwise will only be able to seek redress if a hotel management company violates the terms of the applicable hotel management agreement, and then only to the extent of the remedies provided for under the terms of the hotel management agreement. If we replace the hotel management company of any of our hotels, we may be required to pay a substantial termination fee and we may experience significant disruptions at the affected hotel.

Furthermore, we have certain indemnifications from our property managers that generally protect us from financial losses due to the gross negligence or willful misconduct of our property managers. However, the indemnifications may be insufficient or the property manager may not have the financial wherewithal to support their indemnification obligation to us. As such, the indemnification may not provide us with sufficient protection against third-party claims resulting from the gross negligence or willful misconduct of our property managers in the operation of our hotels.

Our hotel managers or their affiliates manage, and in some cases own, have invested in, or provided credit support or operating guarantees to hotels that compete with our hotels, all of which may result in conflicts of interest. As a result, our hotel managers may in the future make decisions regarding competing lodging facilities that are not or would not be in our best interest.

Certain of our hotels are managed by affiliates of the franchisors for such hotels. In these situations, the management agreement and the franchise agreement are typically combined into one document. Thus, the termination of the management agreement due to poor performance or breach of the management agreement by the management company could also terminate our franchise license. Thus, we may have very limited options to remedy poor hotel management performance if we desire to retain the franchise license.

These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

The management of a large number of hotels in our portfolio is currently concentrated with one hotel management company.

As of December 31, 2017 , Interstate Management Company, LLC ("Interstate") or its affiliate managed 37 of our 83 hotels. Thus, a substantial portion of our revenues is generated by hotels managed by Interstate. This significant concentration of operational risk in one hotel management company makes us more vulnerable economically than if our hotel management was more evenly diversified among several hotel management companies. Any adverse developments in Interstate's business, financial strength or ability to operate our hotels efficiently and effectively could have a material adverse effect on our results of operations. We cannot provide assurance that Interstate will satisfy its obligations to us or effectively and efficiently operate our hotel properties. The failure or inability of Interstate to satisfy its obligations to us or effectively and efficiently operate our hotel properties could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Restrictive covenants and other provisions in hotel management and franchise agreements could preclude us from taking actions with respect to the sale, refinancing or rebranding of a hotel that would otherwise be in our best interest.

Our hotel management agreements and franchise agreements generally contain restrictive covenants and other provisions that do not provide us with flexibility to sell, refinance or rebrand a hotel without the consent of the manager or franchisor. For example, the terms of some of these agreements may restrict our ability to sell a hotel unless the purchaser is not a competitor of the hotel management company or franchisor, assumes the related agreement and meets specified other conditions. In addition, our franchise agreements restrict our ability to rebrand particular hotels without the consent of the franchisor, which could result in significant operational disruptions and litigation if we do not obtain the consent. We could be forced to pay consent or termination fees to hotel managers or franchisors under these agreements as a condition to changing management or franchise brands of our hotels, and these fees could deter us from taking actions that would otherwise be in our best interest or could cause us to incur substantial expense.

These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

We are required to expend funds to maintain franchisor operating standards and we may experience a loss of a franchise license or a decline in the value of a franchise brand.

Our hotels operate under franchise agreements, and the maintenance of franchise licenses for our hotels is subject to our franchisors' operating standards and other terms and conditions. We expect that franchisors will periodically inspect our hotels to ensure that we, our TRS and our hotel management companies maintain our franchisors' standards. Failure by us, our TRS or our hotel management companies to maintain these standards or other terms and conditions could result in a franchise license being canceled. If a franchise license terminates due to our failure to make required improvements or to otherwise comply with its terms, we could also be liable to the franchisor for a termination payment, which varies by franchisor and by hotel. As a condition of our continued holding of a franchise license, a franchisor could also require us to make capital improvements to our hotels, even if we do not believe the improvements are necessary or desirable or would result in an acceptable return on our investment.

The loss of a franchise license could materially and adversely affect the operations or the underlying value of the hotel because of the loss of associated name recognition, marketing support and centralized reservation systems provided by the franchisor. Because our hotels are concentrated with a limited number of franchise brands, a loss of all of the licenses for a particular franchise could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Negative publicity related to one of the franchise brands or the general decline of a brand also may adversely affect the underlying value of our hotels or result in a reduction in business.

We rely on external sources of capital to fund future capital needs, and if we encounter difficulty in obtaining such capital, we may not be able to make future acquisitions necessary to grow our business or meet maturing obligations.

To qualify as a REIT under the IRC, we are required, among other things, to distribute each year to our stockholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. Because of this distribution requirement, we may not be able to fund, from cash retained from operations, all of our future capital needs, including capital needed to make investments and to satisfy or refinance maturing obligations.

We expect to continue to rely on external sources of capital, including debt and equity financing, to fund future capital needs. Part of our strategy involves the use of additional debt financing to supplement our equity capital which may include our unsecured credit and term loan facilities, mortgage financing and other unsecured financing. Our ability to effectively implement and accomplish our business strategy will be affected by our ability to obtain and use additional leverage in sufficient amounts and on favorable terms. However, the capital environment is often characterized by extended periods of limited availability of both debt and equity financing, increasing financing costs, stringent credit terms and significant volatility. We may not be able to secure first mortgage financing or increase the availability under, extend the maturity of or refinance our unsecured credit and term loan facility. If we are unable to obtain needed capital on satisfactory terms or at all, we may not be able to make the investments needed to expand our business, or to meet our obligations and commitments as they mature. Our access to capital will depend upon a number of factors over which we have little or no control, including general market conditions, the market's perception of our current and potential future earnings and cash distributions and the

market price of the shares of our common stock. We may not be in a position to take advantage of attractive investment opportunities for growth if we are unable to access the capital markets on a timely basis or on favorable terms.

We have a significant amount of debt, and our organizational documents have no limitation on the amount of additional indebtedness that we may incur in the future.

We have a significant amount of debt. In the future, we may incur additional indebtedness to finance future hotel acquisitions, capital improvements and development activities and other corporate purposes. In addition, there are no restrictions in our charter or bylaws that limit the amount or percentage of indebtedness that we may incur or restrict the form in which our indebtedness will be incurred (including recourse or non-recourse debt or cross-collateralized debt).

A substantial level of indebtedness could have adverse consequences for our business, results of operations and financial position because it could, among other things:

- require us to dedicate a substantial portion of our cash flow from operations to make principal and interest payments on our indebtedness, thereby reducing our cash flow available to fund working capital, capital expenditures and other general corporate purposes, including to pay dividends on our common stock and our preferred stock as currently contemplated or necessary to satisfy the requirements for qualification as a REIT;
- increase our vulnerability to general adverse economic and industry conditions and limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- limit our ability to borrow additional funds or refinance indebtedness on favorable terms or at all to expand our business or ease liquidity constraints; and
- place us at a competitive disadvantage relative to competitors that have less indebtedness.

Generally, our mortgage debt carries maturity dates or call dates such that the loans become due prior to their full amortization. It may be difficult to refinance or extend the maturity of such loans on terms acceptable to us, or at all, and we may not have sufficient borrowing capacity on our unsecured credit and term loan facility to repay any amounts that we are unable to refinance. Although we believe that we will be able to refinance or extend the maturity of these loans, or will have the capacity to repay them, if necessary, using draws under our unsecured credit and term loan facility, there can be no assurance that our unsecured credit and term loan facility will be available to repay such maturing debt, as draws under our unsecured credit and term loan facility are subject to limitations based upon our unencumbered assets and certain financial covenants.

These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

The agreements governing our indebtedness place restrictions on us and our subsidiaries, reducing operational flexibility and creating default risks.

The agreements governing our indebtedness contain covenants that place restrictions on us and our subsidiaries. These covenants may restrict, among other activities, our and our subsidiaries' ability to:

- merge, consolidate or transfer all or substantially all of our or our subsidiaries' assets;
- sell, transfer, pledge or encumber our stock or the ownership interests of our subsidiaries;
- incur additional debt or place mortgages on our unencumbered hotels;
- enter into, terminate or modify leases for our hotels and hotel management and franchise agreements;
- make certain expenditures, including capital expenditures;
- pay dividends on or repurchase our capital stock; and
- enter into certain transactions with affiliates.

These covenants could impair our ability to grow our business, take advantage of attractive business opportunities or successfully compete. Our ability to comply with financial and other covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions. A breach of any of these covenants or covenants under any other agreements governing our indebtedness could result in an event of default. Cross-default provisions in our debt agreements could cause an event of default under one debt agreement to trigger an event of default under our other debt agreements. Upon the occurrence of an event of default under any of our debt agreements, the lenders could elect to declare all outstanding debt under such agreements to be immediately due and payable. If we were unable to repay or refinance the

accelerated debt, the lenders could proceed against any assets pledged to secure that debt, including foreclosing on or requiring the sale of our hotels, and the proceeds from the sale of these hotels may not be sufficient to repay such debt in full.

These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in any hotel subject to mortgage debt.

Except for the borrowings under our unsecured credit and term loan facilities, all of our other long-term debt existing as of December 31, 2017 is secured by mortgages on our hotel properties and related assets. Incurring mortgages and other secured debt obligations increases our risk of property losses because defaults on secured indebtedness may result in foreclosure actions initiated by lenders and ultimately our loss of the hotels securing such loans. If we are in default under a cross-defaulted mortgage loan, we could lose multiple hotels to foreclosure. For tax purposes, a foreclosure of any of our hotels would be treated as a sale of the hotel for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the hotel, we would recognize taxable income on foreclosure, but would not receive any cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the IRC. We may assume or incur new mortgage indebtedness on the hotels in our portfolio or hotels that we acquire in the future. Any default under any one of our mortgage debt obligations may increase the risk of our default on our other indebtedness.

These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

An increase in interest rates would increase our interest costs on our variable rate debt and could have broader effects on the cost of capital for real estate companies and real estate asset values.

With respect to our existing and future variable-rate debt, an increase in interest rates would increase our interest payments and reduce our cash flow available for other corporate purposes, including capital improvements to our hotels or acquisitions of additional hotels. In addition, rising interest rates could limit our ability to refinance existing debt when it matures and increase interest costs on any debt that is refinanced. Further, an increase in interest rates could increase the cost of capital for real estate assets which, in turn, could have a negative effect on real estate asset values generally, and our hotel properties specifically.

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Qualitative and Quantitative Effects of Market Risk.”

These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

We hedge our interest rate exposure to manage our exposure to interest rate volatility.

We have entered into an interest rate swap having an aggregate notional amount of $75.0 million at December 31, 2017 , and two separate $100.0 million interest rate swaps having an aggregate notional amount of $200.0 million with an effective date of January 29, 2018, to hedge against interest rate increases on certain of our outstanding variable-rate indebtedness. In the future, we may manage our exposure to interest rate volatility by using hedging arrangements, such as interest rate swaps and interest rate caps. Hedging arrangements involve the risk that the arrangement may fail to protect or adversely affect us because, among other things:

- interest rate hedging can be expensive, particularly during periods of volatile interest rates;
- available interest rate hedges may not correspond directly with the interest rate risk for which protection is sought;
- the duration of the hedge may not match the duration of the related liability;
- the credit quality of the hedging counterparty owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction; and
- the hedging counterparty owing money in the hedging transaction may default on its obligation to pay.

As a result of any of the foregoing, our hedging transactions, which are intended to limit losses and exposure to interest rate volatility, could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Our success depends on key personnel whose continued service is not guaranteed.

We depend on the efforts and expertise of our management team to manage our day-to-day operations and strategic business activities. The loss of services from any of the members of our management team, and our inability to find suitable replacements on a timely basis could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

System security risks, data protection breaches, cyber-attacks and systems integration issues could disrupt our internal operations or services provided to guests at our hotels, and any such disruption could reduce our expected revenue, increase our expenses, damage our reputation and adversely affect our stock price.

We and our third-party managers and franchisors rely on information technology networks and systems, including the Internet, to process, transmit and store electronic and customer information. These systems require the collection and retention of large volumes of hotel guests' personally identifiable information, including credit card numbers. We purchase some of our information technology from vendors, on whom our systems depend. We rely on commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential customer information, such as personally identifiable information, including information relating to financial accounts. Although we have taken steps to protect the security of our information systems and the data maintained in those systems, it is possible that our safety and security measures will not be able to prevent the systems' improper functioning or damage, or the improper access or disclosure of personally identifiable information such as in the event of cyber-attacks. Cyber criminals may be able to penetrate our network security or the network security of our third-party managers and franchisors, and misappropriate or compromise our confidential information or that of our hotel guests, create system disruptions or cause the shutdown of our hotels. Computer programmers and hackers also may be able to develop and deploy viruses, worms and other malicious software programs that attack our computer systems or the computer systems operated by our third-party managers and franchisors, or otherwise exploit any security vulnerabilities of our respective networks. In addition, sophisticated hardware and operating system software and applications that we and our third-party managers or franchisors may procure from outside companies may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with our internal operations or the operations at our hotels. The costs to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential business at our hotels. Any compromise of our third-party managers and franchisor information networks' function, security and availability could result in disruptions to operations, delayed sales or bookings, lost guest reservations, increased costs and lower margins. Any of these events could adversely affect our financial results, stock price and reputation, result in misstated financial reports and subject us to potential litigation and liability.

Portions of our information technology infrastructure or the information technology infrastructure of our third-party managers and franchisors also may experience interruptions, delays or cessations of service or produce errors in connection with systems integration or migration work that takes place from time to time. We or our third-party managers and franchisors

may not be successful in implementing new systems and transitioning data, which could cause business disruptions and be expensive, time consuming, disruptive and resource-intensive. Such disruptions could adversely impact the ability of our third-party managers and franchisors to fulfill reservations for guestrooms and other services offered at our hotels.

Although we have taken steps to protect the security of our information systems, and the data maintained in these systems, there can be no assurance that the security measures we have taken will prevent failures, inadequacies or interruptions in system services, or that system security will not be breached through physical or electronic break-ins, computer viruses or attacks by hackers. The increased level of sophistication and volume of attacks in recent years make it more difficult to predict the effect of a future breach. In addition, we rely on the security systems of our third-party managers and franchisors to protect proprietary and customer information from these threats.

Many of our managers carry cyber insurance policies to protect and offset a portion of potential costs that may be incurred from a security breach. Additionally, we currently have cyber insurance policies to provide supplemental coverage above the coverage carried by our third-party managers. Despite various precautionary steps to protect our hotels from losses resulting from cyber-attacks, however, any occurrence of a cyber-attack could still result in losses at our properties, which could affect our results of operations. To date, we are not currently aware of any cyber incidents that we believe to be material or that could have a material adverse effect on the business, financial condition and results of operations of the Company.

Any of these items could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Joint venture investments could be adversely affected by a lack of sole decision-making authority with respect to such investments, disputes with joint venture partners and the financial condition of joint venture partners.

In the future we may enter into strategic joint ventures with unaffiliated investors to acquire, develop, improve or dispose of hotels, thereby reducing the amount of capital required by us to make investments and diversifying our capital sources for growth. We may not have sole decision-making authority with respect to these investments, and as a result we may not be able to take actions which are in the best interest of our stockholders. Further, disputes between us and our joint venture partners may result in litigation or arbitration which could increase our expenses and prevent our officers and directors from focusing their time and effort on our business and could result in subjecting the hotels owned by the applicable joint venture to additional risks.

If a joint venture partner becomes bankrupt or otherwise defaults on its obligations under a joint venture agreement, we and any other remaining joint venture partners would generally remain liable for the joint venture liabilities. Furthermore, if a joint venture partner becomes bankrupt or otherwise defaults on its obligations under a joint venture agreement, we may be unable to continue the joint venture other than by purchasing such joint venture partner's interests or the underlying assets at a premium to the market price. If any of the above risks are realized, it could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Actions by organized labor could have a material adverse effect on our business.

We believe that unions are generally becoming more aggressive about organizing workers at hotels in certain locations. If the workers employed by the third-party hotel management companies that manage our hotels unionize in the future, potential labor activities at any affected hotel could significantly increase the administrative, labor and legal expenses of the third-party hotel management company that we have engaged to manage that hotel, which likely would adversely affect the operating results of the hotel properties. If hotels in our portfolio are unionized, this could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Risks Related to the Lodging Industry

Economic conditions may adversely affect the lodging industry.

The performance of the lodging industry has historically been closely linked to the performance of the general economy and, specifically, growth in U.S. gross domestic product ("GDP"). The lodging industry is also sensitive to business and personal discretionary spending levels. Declines in corporate budgets and consumer demand due to adverse general economic conditions, risks affecting or reducing travel patterns, lower consumer confidence or adverse political conditions can lower the revenue and profitability of our assets and therefore the net operating profits of our investments. Economic weakness could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

We experience a high level of competition from other hotels and alternative accommodations in the markets in which we operate.

The lodging industry is highly competitive. Our hotels compete with other hotels for guests in each market in which our hotels operate based on a number of factors, including location, convenience, brand affiliation, guestroom rates, range of services and guest amenities or accommodations offered and quality of customer service. We also compete with numerous owners and operators of vacation ownership resorts, as well as companies that offer alternative accommodations, such as Airbnb and similiar organizations, which operate websites that market available furnished, privately-owned residential properties, including homes and condominiums, that can be rented on a nightly, weekly or monthly basis. Competition will often be specific to the individual markets in which our hotels are located and includes competition from existing and new hotels. Our competitors may have an operating model that enables them to offer guestrooms at lower rates than we can, which could result in our competitors increasing their occupancy at our expense. Competition could adversely affect our occupancy, ADR and RevPAR, and may require us to provide additional amenities or make capital improvements that we otherwise would not have to make.

These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Our operating results and ability to make distributions to our stockholders may be adversely affected by the risks inherent to the ownership of hotels and the markets in which we operate.

Hotels have different economic characteristics than many other real estate assets. A typical office property owner, for example, has long-term leases with third-party tenants, which provide a relatively stable long-term stream of revenue. By contrast, our hotels are subject to various operating risks common to the lodging industry, many of which are beyond our control, including the following:

- relatively short-duration occupancies;
- dependence on business and commercial travelers and tourism;
- over-building of hotels in our markets, which could adversely affect occupancy and revenue at the hotels we acquire;
- increases in energy costs and other expenses affecting travel, which may affect travel patterns and reduce the number of business and commercial travelers and tourists;
- increases in operating costs, including increased real estate and personal property taxes, due to inflation and other factors that may not be offset by increased guestroom rates;
- potential increases in labor costs at our hotels, including as a result of unionization of the labor force and increasing health care insurance expense;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;
- adverse effects of international, national, regional and local economic and market conditions; and
- unforeseen events beyond our control, such as instability in the national, European or global economy, terrorist attacks, travel-related health concerns including pandemics and epidemics, travel-related environmental concerns including water contamination and air pollution, political instability, regional hostilities, increases in fuel prices, imposition of taxes or surcharges by regulatory authorities and travel-related accidents and unusual weather patterns, including natural disasters such as hurricanes.

These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

We have significant ongoing needs to make capital expenditures at our hotels, which require us to devote funds to these purposes.

Our hotels have an ongoing need for renovations and other capital improvements, including replacements, from time to time, of furniture, fixtures and equipment. Our franchisors also require periodic capital improvements as a condition of keeping the franchise licenses. In addition, lenders and hotel management companies may require that we set aside annual amounts for capital improvements to our assets. These capital improvements and replacements may give rise to the following risks:

- possible environmental problems;
- construction cost overruns and delays;
- a possible shortage of available cash to fund capital improvements and replacements and, the related possibility that financing for these capital improvements may not be available to us on affordable terms; and
- uncertainties as to market demand or a loss of market demand after capital improvements and replacements have begun.

These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Hotel development is subject to timing, budgeting and other risks.

We may develop hotels or acquire hotels that are under development from time to time as suitable opportunities arise, taking into consideration general economic conditions. Hotel development involves a number of risks, including the following:

- possible environmental problems;
- construction delays or cost overruns that may increase project costs;
- receipt of and expense related to zoning, occupancy and other required governmental permits and authorizations;
- development costs incurred for projects that are not pursued to completion;
- acts of God such as earthquakes, hurricanes, floods or fires that could adversely affect a project;
- inability to raise capital; and
- governmental restrictions on the nature or size of a project.

To the extent we develop hotels or acquire hotels under development, we cannot provide assurance that any development project will be completed on time or within budget. Our inability to complete a project on time or within budget could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Customers may increasingly use Internet travel intermediaries.

Our hotel guestrooms can be booked through Internet travel intermediaries, including, but not limited to Travelocity.com, Expedia.com and Priceline.com. As these Internet bookings increase, these intermediaries may be able to obtain higher commissions, reduced guestroom rates or other significant contract concessions from our management companies. Moreover, some of these Internet travel intermediaries are attempting to offer hotel guestrooms as a commodity, by increasing the importance of price and general indicators of quality (such as “three-star downtown hotel”) at the expense of brand identification. These agencies hope that consumers will eventually develop brand loyalties to their reservations system rather than to the brands under which our hotels are franchised. If the amount of sales made through Internet intermediaries increases significantly, guestroom revenue may flatten or decrease, which could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

We could incur uninsured and underinsured losses.

We intend to maintain comprehensive insurance on our hotels, including liability, fire and extended coverage, of the type and amount we believe are customarily obtained for or by owners of hotels similar to our hotels. Various types of catastrophic losses, such as hurricanes, floods and earthquakes, acts of terrorism, data breaches or losses related to business disruption from disputes with franchisors, may not be insurable or may not be economically insurable. In the event of a substantial loss, our insurance coverage may not be sufficient to cover the operating loss or the full market value or replacement cost of our lost investment. Should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital we have invested in a hotel, as well as the anticipated future revenue from the hotel. In that event, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the asset. Loan covenants, inflation, changes in building codes and ordinances, environmental considerations and other factors might also keep us from using insurance proceeds to replace or renovate an asset after it has been damaged or destroyed. Under those circumstances, the insurance proceeds we receive might be inadequate to restore our economic position on the damaged or destroyed hotels.

These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Consumer trends and preferences, particularly with respect to younger generations, could change away from select-service hotels.

Consumer trends and preferences continuously change, especially within younger generations. Many new hotel brands have been introduced over recent years to specifically address the perceived unique needs and preferences of younger travelers. As our portfolio is concentrated in select-service hotels, significant consumer shifts in preferences away from select-service hotels could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Risks Related to the Real Estate Industry and Real Estate-Related Investments

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our hotels or to adjust our portfolio in response to changes in economic and other conditions.

Our ability to promptly sell one or more hotels in our portfolio in response to changing economic, financial and investment conditions may be limited. We cannot predict whether we will be able to sell any hotels for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of an asset. The real estate market is affected by many factors that are beyond our control, including:

- adverse changes in international, national, regional and local economic and market conditions;
- changes in interest rates and in the availability, cost and terms of debt financing;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;
- the ongoing need for capital improvements, particularly in older structures, that may require us to expend funds to correct defects or to make improvements before an asset can be sold;
- changes in operating expenses; and
- civil unrest, acts of God, including earthquakes, floods and other natural disasters, which may result in uninsured losses, and acts of war or terrorism, including the consequences of the terrorist acts such as those that occurred on September 11, 2001.

These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

We could incur significant costs related to government regulation and litigation over environmental, health and safety matters.

Our hotels and development land parcels are subject to various federal, state and local environmental laws that impose liability for contamination. Under these laws, governmental entities have the authority to require us, as the current or former owner of the property, to perform or pay for the cleanup of contamination (including hazardous substances, waste or petroleum products) at or emanating from the property and to pay for natural resource damage arising from contamination. These laws often impose liability without regard to whether the owner or operator knew of, or caused the contamination. We can also be liable to private parties for costs of remediation, personal injury and death and/or property damage resulting from contamination at or emanating from our properties. Moreover, environmental contamination can affect the value of a property and, therefore, an owner's ability to borrow funds using the property as collateral or to sell the property on favorable terms or at all. Furthermore, persons who sent waste to a waste disposal facility, such as a landfill or an incinerator, may be liable for costs associated with cleanup of that facility.

In addition, our hotels (including our real property, operations and equipment) are subject to various federal, state and local environmental, health and safety regulatory requirements that address a wide variety of issues, including, but not limited to the registration, maintenance and operation of our boilers and storage tanks, air emissions from emergency generators, storm water and wastewater discharges, asbestos, lead-based paint, mold and mildew, and waste management. Some of our hotels also routinely handle or use hazardous or regulated substances and waste in their operations (for example, swimming pool chemicals or biological waste). Our hotels incur costs to comply with these environmental, health and safety laws and regulations and if these regulatory requirements are not met or unforeseen events result in the discharge of dangerous or toxic substances at our hotels, we could be subject to fines and penalties for non-compliance with applicable laws and material liability from third parties for harm to the environment, damage to real property or personal injury and death. We are aware of no past or present environmental liability for non-compliance with environmental, health and safety laws and regulations that we believe would have a material adverse effect on our business, assets or results of operations.

Certain hotels we currently own or those we acquire in the future contain, may contain, or may have contained, asbestos-containing material ("ACM"). Environmental, health and safety laws require that ACM be properly managed and maintained, and include requirements to undertake special precautions, such as removal or abatement, if ACM would be disturbed during maintenance, renovation, or demolition of a building. These laws regarding ACM may impose fines and penalties on building owners, employers and operators for failure to comply with these requirements or expose us to third-party liability.

These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Compliance with the laws, regulations and covenants that apply to our hotels, including permit, license and zoning requirements, may adversely affect our ability to make future acquisitions or renovations, result in significant costs or delays and adversely affect our growth strategy.

Our hotels are subject to various covenants and local laws and regulatory requirements, including permitting and licensing requirements which can restrict the use of our properties and increase the cost of acquisition, development and operation of our hotels. In addition, federal and state laws and regulations, including laws such as the ADA, impose further restrictions on our operations. Under the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. We have not conducted a comprehensive audit or investigation of all of our properties to determine our compliance. As such, some of our hotels currently may be in noncompliance with the ADA. If one or more of the hotels in our portfolio is not in compliance with the ADA or any other regulatory requirements, we may be required to incur additional costs to bring the hotel into compliance and we might incur damages or governmental fines. In addition, existing requirements may change and future requirements may require us to make significant unanticipated expenditures.

These conditions could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

We have fixed obligations related to right-of-use assets on which certain of our hotels are located.

If we default on the terms of any of our right-of-use assets, such as ground leases, air rights or other intangible assets, and are unable to cure the default in a timely manner, we may be liable for damages and could lose our leasehold interest in the applicable property and interest in the hotel on the applicable property. An event of default that is not timely cured could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

The states and localities in which we own material amounts of property or conduct material business operations could raise their income and property tax rates or amend their tax regimes in a manner that increases our state and local tax liabilities.

We and our subsidiaries are subject to income tax and other taxes by states and localities in which we conduct business. Additionally, we are and will continue to be subject to property taxes in states and localities in which we own property, and our TRS lessees are and will continue to be subject to state and local corporate income tax. As these states and localities seek additional sources of revenue, they may, among other steps, raise income and property tax rates or amend their tax regimes to eliminate for state income tax purposes the favorable tax treatment REITs enjoy for federal income tax purposes. We cannot predict when or if any states or localities would make any such changes, or what form those changes would take. If states and localities in which we own material amounts of property or conduct material amounts of business make changes to their tax rates or tax regimes that increase our state and local tax liabilities, such increases could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Risks Related to Our Organization and Structure

Our fiduciary duties as the general partner of our Operating Partnership could create conflicts of interest.

We, through our wholly-owned subsidiary that serves as the sole general partner of our Operating Partnership, have fiduciary duties to our Operating Partnership's limited partners, the discharge of which may conflict with the interests of our stockholders. The limited partners of our Operating Partnership have agreed for so long as we own a controlling interest in our Operating Partnership that, in the event of a conflict between the duties owed by our directors to our company and the duties that we owe, in our capacity as the sole general partner of our Operating Partnership, to the limited partners, our directors must give priority to the interests of our stockholders. In addition, those persons holding Common Units have the right to vote on certain amendments to the limited partnership agreement (which require approval by a majority interest of the limited partners, including us) and individually to approve certain amendments that would adversely affect their rights, as well as the right to vote on mergers and consolidations of the general partner or us in certain limited circumstances. These voting rights may be exercised in a manner that conflicts with the interests of our stockholders. For example, we cannot adversely affect the limited partners' rights to receive distributions, as set forth in the limited partnership agreement, without their consent, even though modifying such rights might be in the best interest of our stockholders generally.

Provisions of our charter may limit the ability of a third party to acquire control of us by authorizing our board of directors to issue additional securities.

Our board of directors may, without stockholder approval, amend our charter to increase or decrease the aggregate number of our shares or the number of shares of any class or series that we have the authority to issue and to classify or reclassify any unissued shares of common stock or preferred stock, and set the preferences, rights and other terms of the classified or reclassified shares. As a result, our board of directors may authorize the issuance of additional shares or establish a series of common or preferred stock that may have the effect of delaying or preventing a change in control of our company, including transactions at a premium over the market price of our shares, even if stockholders believe that a change in control is in their interest. These provisions, along with the restrictions on ownership and transfer contained in our charter and certain provisions of Maryland law described below, could discourage unsolicited acquisition proposals or make it more difficult for a third party to gain control of us, which could adversely affect the market price of our securities.

Provisions of Maryland law may limit the ability of a third party to acquire control of us by requiring our board of directors or stockholders to approve proposals to acquire our company or effect a change in control.

Certain provisions of the Maryland General Corporation Law (the "MGCL") applicable to Maryland corporations may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change in control under circumstances that otherwise could provide our stockholders with the opportunity to realize a premium over the then-prevailing market price of such shares, including "business combination" and "control share" provisions.

By resolution of our board of directors, we have opted out of the business combination provisions of the MGCL and provided that any business combination between us and any other person is exempt from the business combination provisions of the MGCL, provided that the business combination is first approved by our board of directors (including a majority of directors who are not affiliates or associates of such persons). In addition, pursuant to a provision in our bylaws, we have opted out of the control share provisions of the MGCL. However, our board of directors may by resolution elect to opt in to the business combination provisions of the MGCL and we may, by amendment to our bylaws, opt in to the control share provisions of the MGCL in the future.

Our rights and the rights of our stockholders to take action against our directors and officers are limited.

Under Maryland law, generally, a director will not be liable if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, our charter limits the liability of our directors and officers to us and our stockholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- active and deliberate dishonesty by the director or officer that was established by a final judgment as being material to the cause of action adjudicated.

Our charter authorizes us to indemnify our directors and officers for actions taken by them in those capacities to the maximum extent permitted by Maryland law. Our bylaws require us to indemnify each director and officer, to the maximum extent permitted by Maryland law, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service to us. In addition, we may be obligated to advance the defense costs incurred by our directors and officers. As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist absent the current provisions in our charter and bylaws or that might exist with other companies.

Our stockholders have limited voting rights and our charter contains provisions that make removal of our directors difficult.

Our shares of common stock are the only class of our securities that carry full voting rights. Voting rights for holders of our preferred stock exist primarily with respect to the ability to elect two additional directors to our board of directors in the event that six quarterly dividends (whether or not consecutive) payable on the preferred stock are in arrears, and with respect to voting on amendments to our charter or articles supplementary relating to the preferred stock that materially and adversely affect the rights of the holders of preferred stock or create additional classes or series of senior equity securities. Further, our charter provides that a director may be removed only for cause (as defined in our charter) and then only by the affirmative vote of holders of shares entitled to cast at least two-thirds of the votes entitled to be cast generally in the election of directors. Our charter also provides that vacancies on our board of directors may be filled only by a majority of the remaining directors in office, even if less than a quorum. These requirements prevent stockholders from removing directors except for cause and with a substantial affirmative vote and from replacing directors with their own nominees and may prevent a change in control of our company or effect other management changes that are in the best interests of our stockholders.

The ability of our board of directors to change our major policies without the consent of stockholders may not be in our stockholders' interest.

Our board of directors determines our major policies, including policies and guidelines relating to our acquisitions, leverage, financing, growth, operations and distributions to stockholders. Our board of directors may amend or revise these and other policies and guidelines from time to time without the vote or consent of our stockholders. Accordingly, our stockholders will have limited control over changes in our policies and those changes could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Our board of directors has the ability to revoke our REIT qualification without stockholder approval.

Our charter provides that our board of directors may revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to be a REIT, we would become subject to federal income tax on our taxable income and would no longer be required to distribute most of our taxable income to our stockholders, which may have adverse consequences on the total return to our stockholders.

We are a holding company with no direct operations. As a result, we rely on funds received from our Operating Partnership to pay liabilities and dividends, our stockholders' claims will be structurally subordinated to all liabilities of our Operating Partnership and our stockholders will not have any voting rights with respect to our Operating Partnership activities, including the issuance of additional Common Units or Preferred Units.

We are a holding company and conduct all of our operations through our Operating Partnership. We do not have, apart from our ownership of our Operating Partnership, any independent operations. As a result, we rely on distributions from our Operating Partnership to pay any dividends we might declare on shares of our common or preferred stock. We also rely on distributions from our Operating Partnership to meet any of our obligations, including tax liability on taxable income allocated to us from our Operating Partnership (which might make distributions to us that do not equal the tax on such allocated taxable income).

In addition, because we are a holding company, stockholders' claims will be structurally subordinated to all existing and future liabilities and obligations (whether or not for borrowed money) of our Operating Partnership and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, claims of our stockholders will be satisfied only after all of our and our Operating Partnership's and its subsidiaries' liabilities and obligations have been paid in full.

We own approximately 99% of the Common Units in the Operating Partnership, all of the issued and outstanding 7.125% Series C Cumulative Redeemable Preferred Units of the Operating Partnership ("Series C Preferred Units"), all of the issued and outstanding 6.45% Series D Cumulative Redeemable Preferred Units of the Operating Partnership ("Series D Preferred Units"), and all of the issued and outstanding 6.25% Series E Cumulative Redeemable Preferred Units of the Operating Partnership ("Series E Preferred Units"). We refer to the Series C Preferred Units, Series D Preferred Units and Series E Preferred Units collectively referred to as Preferred Units. Any future issuances by our Operating Partnership of additional Common Units or Preferred Units could reduce our ownership percentage in our Operating Partnership. Because our common stockholders do not directly own any Common Units or Preferred Units, they will not have any voting rights with respect to any such issuances or other partnership-level activities of the Operating Partnership.

If we are unable to maintain an effective system of internal controls, we may not be able to produce and report accurate financial information on a timely basis or prevent fraud.

A system of internal controls that is well designed and properly functioning is critical for us to produce and report accurate and reliable financial information and effectively prevent fraud. We must also rely on the quality of the internal control environments of our third-party property managers who provide us with financial information related to our hotel properties. At times, we may identify areas of internal controls that are not properly functioning as designed, that need improvement or that must be developed to ensure that we have an adequate system of internal controls. Section 404 of the Sarbanes-Oxley Act of 2002 requires us to evaluate and report on our internal controls over financial reporting and have our independent auditors annually issue their own opinion on our internal controls over financial reporting. We cannot be certain that we will be successful in maintaining adequate internal controls over our financial reporting and processes. Additionally, as we grow our business, our internal controls will become more complex and we will require significantly more resources to ensure that our internal controls remain effective. If we or our independent auditors discover a material weakness, the disclosure of that fact, even if promptly remedied, could cause our stockholders to lose confidence in our financial results, which could reduce the market value of our common shares. Additionally, the existence of any material weakness or significant deficiency could require management to devote substantial time and incur significant expense to remediate any such conditions. There can be no assurance that management will be able to remediate any material weaknesses in a timely manner.

Risks Related to Ownership of Our Securities

The New York Stock Exchange ("NYSE") or another nationally-recognized exchange may not continue to list our securities.

Our common stock trades on the NYSE under the symbol "INN," our 7.125% Series C Cumulative Redeemable Preferred Stock trades on the NYSE under the symbol "INNPrC," our 6.45% Series D Cumulative Redeemable Preferred Stock trades on the NYSE under the symbol "INNPrD," and our 6.25% Series E Cumulative Redeemable Preferred Stock trades on the NYSE under the symbol "INNPrE." In order for our securities to remain listed, we are required to meet the continued listing requirements of the NYSE or, in the alternative, any other nationally-recognized exchange to which we apply. We may be unable to satisfy those listing requirements, and there is no guarantee our securities will remain listed on a nationally-recognized exchange. If our securities are delisted from the NYSE or another nationally-recognized exchange, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- a limited ability of our stockholders to make transactions in our securities;
- additional trading restrictions being placed on us;
- reduced liquidity with respect to our securities;
- a determination that our common stock is "penny stock," which will require brokers trading in our common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for the common stock;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The cash available for distribution may not be sufficient to make distributions at expected levels and we may use borrowed funds or funds from other sources to make distributions.

Subject to the preferential rights of the holders of our Series C, Series D, and Series E preferred stock and any other class or series of our stock that are senior to our common stock with respect to distribution rights, we intend to make quarterly distributions to holders of our common stock. Distributions declared by us will be authorized by our board of directors in its sole discretion out of funds legally available for distribution and will depend upon a number of factors, including restrictions under applicable law and the capital requirements of our company. All distributions will be made at the discretion of our board of directors and will depend on our earnings, our financial condition, the requirements for qualification as a REIT, restrictions under applicable law and other factors as our board of directors may deem relevant from time to time. We may be required to fund distributions from working capital, borrowings under our unsecured revolving credit facility, proceeds of future stock offerings or a sale of assets to the extent distributions exceed earnings or cash flows from operations. Funding distributions from working capital would restrict our operations. If we borrow from the unsecured revolving credit facility to pay distributions, we would be more limited in our ability to execute our strategy of using that unsecured revolving credit facility to fund acquisitions. Finally, selling assets may require us to dispose of assets at a time or in a manner that is not consistent with our disposition strategy. If we borrow to fund distributions, our leverage ratios and future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been. We may not be able to make distributions in the future. In addition, some of our distributions may be considered a return of capital for income tax purposes. If we decide to make distributions in excess of our current and accumulated earnings and profits, such distributions would generally be considered a return of capital for federal income tax purposes to the extent of the holder's adjusted tax basis in their shares. A return of capital is not taxable, but it has the effect of reducing the holder's adjusted tax basis in its investment. If distributions exceed the adjusted tax basis of a holder's shares, they will be treated as gain from the sale or exchange of such stock.

The market price of our stock may be volatile due to numerous circumstances beyond our control.

The trading prices of equity securities issued by REITs and other real estate companies historically have been affected by changes in market interest rates. One of the factors that may influence the market price of our common or preferred stock is the annual yield from distributions on our common or preferred stock, respectively, as compared to yields on other financial instruments. An increase in market interest rates, or a decrease in our distributions to stockholders, may lead prospective purchasers of our common or preferred stock to demand a higher annual yield, which could reduce the market price of our common or preferred stock, respectively.

Other factors that could affect the market price of our stock include the following:

- actual or anticipated variations in our quarterly results of operations;
- increases in interest rates;
- changes in market valuations of companies in the lodging industry;
- changes in expectations of future financial performance or changes in estimates of securities analysts;
- fluctuations in stock market prices and volumes;
- our issuances of common stock, preferred stock, or other securities in the future;
- the inclusion of our common stock and preferred stock in equity indices, which could induce additional purchases;
- the addition or departure of key personnel;
- announcements by us or our competitors of acquisitions, investments or strategic alliances;
- unforeseen events beyond our control, such as instability in the national, European or global economy, terrorist attacks, travel related health concerns including pandemics and epidemics, political instability, regional hostilities, increases in fuel prices, imposition of taxes or surcharges by regulatory authorities and travel-related accidents and unusual weather patterns, including natural disasters; and
- changes in the tax laws or regulations to which we are subject.

The market's perception of our growth potential and our current and potential future cash distributions, whether from operations, sales or refinancings, as well as the real estate market value of the underlying assets, may cause our common and preferred stock to trade at prices that differ from our net asset value per share. If we retain operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of our common and preferred stock. Our failure to meet the market's expectations with regard to future earnings and distributions likely would adversely affect the market price of our common and preferred stock.

The trading market for our stock will rely in part on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. Furthermore, if one or more of the analysts who do cover us downgrades our stock or our industry, or the stock of any of our competitors, the price of our stock could decline. If one or more of these analysts ceases coverage of our company, we could lose attention in the market, which in turn could cause the price of our stock to decline.

The number of shares of our common stock and preferred stock available for future sale could adversely affect the market price per share of our common stock and preferred stock, respectively, and future sales by us of shares of our common stock, preferred stock, or issuances by our Operating Partnership of Common Units may be dilutive to existing stockholders.

Sales of substantial amounts of shares of our common stock or preferred stock in the public market, or upon exchange of Common Units or exercise of any equity awards, or the perception that such sales might occur, could adversely affect the market price of our common stock and preferred stock. As of February 15, 2018 , a total of 323,391 Common Units are redeemable and could be converted into shares of our common stock and sold into the public market. The exchange of Common Units for common stock, the vesting of any equity-based awards granted to certain directors, executive officers and other employees under the 2011 Equity Incentive Plan which was amended and restated effective June 15, 2015 (as amended and restated, the "Equity Plan"), the issuance of our common stock or Common Units in connection with hotel, portfolio or business acquisitions and other issuances of our common stock or Common Units could have an adverse effect on the market price of the shares of our common stock.

We may execute future offerings of debt securities, which would be senior to our common and preferred stock upon liquidation, and issuances of equity securities (including Common Units).

In the future we may offer debt securities and issue equity securities, including Common Units, preferred stock or other preferred shares that may be senior to our common stock for purposes of dividend distributions or upon liquidation. Upon liquidation, holders of our debt securities and our preferred shares will receive distributions of our available assets prior to the holders of our common stock. Holders of our common stock are not entitled to pre-emptive rights or other protections against us offering senior debt or equity securities. Therefore, additional common share issuances, directly or through convertible or exchangeable securities (including Common Units), warrants or options, will dilute the holdings of our existing common stockholders and such issuances or the perception of such issuances may reduce the market price of our common stock. In addition, new issues of preferred stock could have a preference on liquidating distributions and a preference on dividend payments that could limit our ability to pay a dividend or make another distribution to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of future issuances. Thus, our stockholders bear the risk of our future offerings reducing the market price of our common stock and diluting their interest in us.

Risks Related to Our Status as a REIT

Failure to remain qualified as a REIT would cause us to be taxed as a regular corporation.

The REIT rules and regulations are highly technical and complex. We believe that our organization and method of operation has enabled us to meet the requirements for qualification and taxation as a REIT commencing with our short taxable year ended December 31, 2011. However, we cannot provide assurance that we will remain qualified as a REIT.

Failure to qualify as a REIT could result from a number of situations, including, without limitation:

- if the leases of our hotels to our TRS lessees are not respected as true leases for federal income tax purposes;
- if our Operating Partnership is treated as a publicly traded partnership taxable as a corporation for federal income tax purposes;
- if our existing or future hotel management companies do not qualify as "eligible independent contractors" or if our hotels are not "qualified lodging facilities," as required by federal income tax law; or
- if we fail to meet any of the required REIT qualifications.

If we fail to qualify as a REIT in any taxable year, we will face serious tax consequences that will substantially reduce the funds available for distributions to our stockholders because:

- we would not be allowed a deduction for dividends paid to stockholders in computing our taxable income and would be subject to federal income tax at regular corporate rates (a maximum rate of 35% applies through 2017 and a 21% rate applies for subsequent years);
- we could be subject to the federal alternative minimum tax for taxable years prior to 2018 and possibly increased state and local taxes; and
- unless we are entitled to relief under certain federal income tax laws, we could not re-elect REIT status until the fifth calendar year after the year in which we failed to qualify as a REIT.

In addition, if we fail to qualify as a REIT, we will no longer be required to make distributions. As a result of all these factors, our failure to qualify as a REIT could impair our ability to expand our business and raise capital, and it could adversely affect the value of our stock.

Even if we continue to qualify as a REIT, we may face other tax liabilities.

Even if we continue to qualify for taxation as a REIT, we may be subject to certain federal, state and local taxes on our income and assets including, but not limited to taxes on any undistributed income, tax on income from some activities conducted as a result of a foreclosure, and state or local income, property and transfer taxes. In addition, our TRS is subject to regular corporate federal, state and local taxes. Any of these taxes would decrease cash available for distributions to stockholders.

Failure to make required distributions would subject us to federal corporate income tax.

We intend to operate in a manner so as to qualify as a REIT for federal income tax purposes. To qualify as a REIT, we generally are required to distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain, each year to our stockholders. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% non-deductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under the IRC.

We have significant REIT distribution requirements to maintain our status as a REIT.

To satisfy the requirements for qualification as a REIT and to meet the REIT distribution requirements, we may need to borrow funds on a short-term basis or sell assets, even if the then-prevailing market conditions are not favorable for these borrowings or sales. Our cash flows from operations may be insufficient to fund required distributions as a result of differences in timing between the actual receipt of income and the recognition of income for federal income tax purposes, or the effect of non-deductible capital expenditures, the creation of reserves or required debt service or amortization payments. Our REIT distribution requirements could adversely affect our liquidity and may force us to borrow funds or sell assets during unfavorable market conditions or pay taxable stock dividends. The insufficiency of our cash flows to cover our distribution requirements could have an adverse effect on our ability to raise short- and long-term debt or sell equity securities to fund distributions required to maintain our qualification as a REIT.

The formation of our TRS increases our overall tax liability.

Our TRS is subject to federal, state and local income tax on its taxable income, which typically consists of the revenue from the hotels leased by our TRS lessees, net of the operating expenses for such hotels and rent payments to us and, in the case of any hotel that is owned by a wholly-owned subsidiary of our TRS, the revenue from that hotel, net of the operating expenses. In certain circumstances, the ability of our TRS to deduct interest expense or utilize net operating loss carryfowards for federal income tax purposes may be limited. Accordingly, although our ownership of our TRS allows us to participate in the operating income from our hotels in addition to receiving rent, that operating income will be fully subject to income tax. The after-tax net income of our TRS is available for distribution to us.

Our TRS lessee structure subjects us to the risk of increased hotel operating expenses.

Our leases with our TRS lessees require our TRS lessees to pay us rent based in part on revenue from our hotels. Our operating risks include decreases in hotel revenue and increases in hotel operating expenses, including but not limited to the increases in wage and benefit costs, repair and maintenance expenses, energy costs and other operating expenses, which would adversely affect our TRS' ability to pay us rent due under the leases. Increases in these operating expenses could adversely affect our financial position, results of operations, and cash flows or the market price of our stock .

Our Operating Partnership could be treated as a publicly traded partnership taxable as a corporation for federal income tax purposes.

Although we believe that our Operating Partnership will be treated as a partnership for federal income tax purposes, no assurance can be given that the IRS will not successfully challenge that position. If the IRS were to successfully contend that our Operating Partnership should be treated as a publicly traded partnership taxable as a corporation, we would fail to meet the 75% gross income test and certain of the asset tests applicable to REITs and, unless we qualified for certain statutory relief provisions, we would cease to qualify as a REIT. Also, our Operating Partnership would become subject to federal, state and local income tax, which would reduce significantly the amount of cash available for debt service and for distribution to us.

Our current hotel management companies, or any other hotel management companies that we may engage in the future may not qualify as "eligible independent contractors," or our hotels may not be considered "qualified lodging facilities."

Rent paid by a lessee that is a "related party tenant" of ours will not be qualifying income for purposes of the two gross income tests applicable to REITs. An exception is provided, however, for leases of "qualified lodging facilities" to a TRS so long as the hotels are managed by an "eligible independent contractor" and certain other requirements are satisfied. We lease all of our hotels to our TRS lessees. All of our hotels are operated pursuant to hotel management agreements with Interstate and other hotel management companies, each of which we believe qualifies as an "eligible independent contractor." Among other requirements, to qualify as an eligible independent contractor, the hotel manager must not own, directly or through its stockholders, more than 35% of our outstanding shares, and no person or group of persons can own more than 35% of our outstanding shares and the shares (or ownership interest) of the hotel manager, taking into account certain ownership attribution rules. The ownership attribution rules that apply for purposes of these 35% thresholds are complex, and monitoring actual and constructive ownership of our shares by our hotel managers and their owners may not be practical. Accordingly, there can be no assurance that these ownership levels will not be exceeded.

In addition, for a hotel management company to qualify as an eligible independent contractor, such company or a related person must be actively engaged in the trade or business of operating "qualified lodging facilities" (as defined below) for one or more persons not related to the REIT or its TRS at each time that such company enters into a hotel management contract with a TRS or its TRS lessee. As of the date hereof, we believe each of our hotel management companies operates qualified lodging facilities for certain persons who are not related to us or our TRS. However, no assurances can be provided that our hotel management companies or any other hotel managers that we may engage in the future will in fact comply with this requirement. Failure to comply with this requirement would require us to find other managers for future contracts, and, if we hired a management company without knowledge of the failure, it could jeopardize our status as a REIT.

Finally, each property with respect to which our TRS lessees pay rent must be a "qualified lodging facility." A "qualified lodging facility" is a hotel, motel or other establishment more than one-half of the dwelling units in which are used on a transient basis, including customary amenities and facilities, provided that no wagering activities are conducted at or in connection with such facility by any person who is engaged in the business of accepting wagers and who is legally authorized to engage in such business at or in connection with such facility. As of the date hereof, we believe that the properties that are leased to our TRS lessees are qualified lodging facilities. Although we intend to monitor future acquisitions and improvements of properties, REIT provisions of the IRC provide only limited guidance for making determinations under the requirements for qualified lodging facilities, and there can be no assurance that these requirements will be satisfied. If any of our properties are not deemed to be a "qualified lodging facility," we may fail to qualify as a REIT.

Our ownership of our TRS is subject to limitations and our transactions with our TRS could cause us to be subject to a 100% penalty tax on certain income or deductions if those transactions are not conducted on arm's-length terms.

Overall, no more than 20% (25% for taxable years beginning prior to January 1, 2018) of the value of a REIT's assets may consist of stock or securities of one or more TRSs. In addition, the IRC limits the deductibility of interest paid or accrued by a TRS to its parent REIT to provide assurance that the TRS is subject to an appropriate level of corporate taxation. The IRC also imposes a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis. The 100% tax would apply, for example, to the extent that we were found to have charged our TRS lessees rent in excess of an arm's-length rent. We monitor the value of our investment in our TRS for the purpose of ensuring compliance with TRS ownership limitations and structure our transactions with our TRS on terms that we believe are arm's-length to avoid incurring the 100% excise tax described above. There can be no assurance, however, that we will be able to comply with the 20% (25% for taxable years beginning prior to January 1, 2018) TRS limitations or to avoid application of the 100% excise tax.

We may be subject to adverse legislative or regulatory tax changes.

At any time, the federal income tax laws governing REITs or the administrative interpretations of those laws may be amended. We cannot predict when or if any new federal income tax law, regulation, or administrative interpretation, or any amendment to any existing federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective and any such law, regulation, or interpretation may take effect retroactively. We and our stockholders could be adversely affected by any such change in, or any new, federal income tax law, regulation or administrative interpretation and we could experience a reduction in the price of our stock. The recently enacted tax reform bill, informally known as the TCJA, significantly changed the federal income tax laws applicable to businesses and their owners, including REITs and their stockholders. Technical corrections or other amendments to the TCJA or administrative guidance interpreting the TCJA may be forthcoming at any time. We cannot predict the long-term effect of the TCJA or any future law changes on REITs and their stockholders.

Stockholders may be restricted from acquiring or transferring certain amounts of our stock.

The stock ownership restrictions of the IRC for REITs and the 9.8% stock ownership limit in our charter may inhibit market activity in our capital stock and restrict our business combination opportunities.

To qualify as a REIT for each taxable year, five or fewer individuals, as defined in the IRC, may not own, beneficially or constructively, more than 50% in value of our issued and outstanding stock at any time during the last half of a taxable year. Attribution rules in the IRC determine if any individual or entity beneficially or constructively owns our capital stock under this requirement. Additionally, at least 100 persons must beneficially own our capital stock during at least 335 days of a taxable year for each taxable year. To help insure that we meet these tests, our charter restricts the acquisition and ownership of shares of our capital stock.

Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT. Unless exempted by our board of directors, our charter prohibits any person from beneficially or constructively owning more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock. Our board of directors may not grant an exemption from these restrictions to any proposed transferee whose ownership in excess of 9.8% of the value of our outstanding shares would result in our failing to qualify as a REIT. These restrictions on transferability and ownership will not apply, however, if our board of directors determines that it is no longer in our best interest to continue to qualify as a REIT.

We may pay taxable dividends in our common stock and cash, in which case stockholders may sell shares of our common stock to pay tax on such dividends.

We may distribute taxable dividends that are payable in cash and common stock at the election of each stockholder. Under IRS Revenue Procedure 2017-45, as a publicly offered REIT, as long as at least 20% of the total dividend is available in cash and certain other requirements are satisfied, the IRS will treat the stock distribution as a dividend (to the extent applicable rules treat such distribution as being made out of our earnings and profits). If we made a taxable dividend payable in cash and common stock, taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of our current and accumulated earnings and profits, as determined for federal income tax purposes. As a result, stockholders may be required to pay income tax with respect to such dividends in excess of the cash dividends received. If a U.S. stockholder sells the common stock that it receives as a dividend to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we may be required to withhold federal income tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. If we made a taxable dividend payable in cash and our common stock and a significant number of our stockholders determine to sell shares of our common stock to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock. We do not currently intend to pay a taxable dividend of our common stock and cash.

The 100% prohibited transactions tax may limit our ability to dispose of our properties, and we could incur a material tax liability if the IRS successfully asserts that the 100% prohibited transaction tax applies to some or all of our past or future dispositions.

A REIT's net income from prohibited transactions is subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business. We have selectively disposed of certain of our properties in the past and intend to make additional dispositions in the future. Although a safe harbor to the characterization of the sale of property by a REIT as a prohibited transaction is available, some of our past dispositions may not have qualified for that safe harbor and some or all of our future dispositions may not qualify for that safe harbor. We believe that our past dispositions will not be treated as prohibited transactions, and we may avoid disposing of property that may be characterized as held primarily for sale to customers in the ordinary course of business. Consequently, we may choose not to engage in certain sales of our properties or may conduct such sales through our TRS, which would be subject to federal and state income taxation as a corporation. Moreover, no assurance can be provided that the IRS will not assert that some or all of our past or future dispositions are subject to the 100% prohibited transactions tax. If the IRS successfully imposes the 100% prohibited transactions tax on some or all of our dispositions, the resulting tax liability could be material.

The IRS could determine that certain payments we have received in the nature of liquidated damages may not be ignored for purposes of the gross income tests applicable to REITs.

In connection with our purchases and sales of properties, we have received payments in the nature of liquidated damages. The IRC does not specify the treatment of litigation settlements and liquidated damages for purposes of the gross income tests applicable to REITs. The IRS has issued private letter rulings to other taxpayers ruling that such payments will be ignored for purposes of the gross income tests. A private letter ruling can be relied upon only by the taxpayer to whom it was issued. Based on the IRS's private letters rulings and the advice of our tax advisors, we believe these payments should be ignored for purposes of the gross income tests. No assurance can be provided that the IRS will not successfully challenge that position. In the event of a successful challenge, we believe that we would be able to maintain our REIT status if we qualified to use a REIT "savings clause" and paid the required penalty.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our Portfolio

A list of our hotel properties as of December 31, 2017 is included in the table below. According to current chain scales as defined by STR, as of December 31, 2017 , one of our hotel properties with 157 guestrooms is categorized as an Upper-upscale hotel, 64 of our hotel properties with 9,785 guestrooms are categorized as Upscale hotels and 18 of our hotel properties with 2,300 guestrooms are categorized as Upper-midscale hotels. Hotel information for the year ended December 31, 2017 is as follows:

Franchise/Brand	Location	Number of Guestrooms
Marriott		
AC Hotel by Marriott [2]	Atlanta, GA	255
Courtyard by Marriott [1]	Indianapolis, IN	297
Courtyard by Marriott [2]	Fort Lauderdale, FL	261
Courtyard by Marriott [2]	Nashville (West End), TN	226
Courtyard by Marriott [2]	New Haven, CT	207
Courtyard by Marriott [2]	Fort Worth, TX	203
Courtyard by Marriott [2]	New Orleans (Convention), LA	202
Courtyard by Marriott [2]	Pittsburgh, PA	182
Courtyard by Marriott [2]	Charlotte, NC	181
Courtyard by Marriott [2]	Atlanta (Decatur), GA	179
Courtyard by Marriott [1]	Phoenix (Scottsdale), AZ	153
Courtyard by Marriott [1]	New Orleans (Metairie), LA	153
Courtyard by Marriott [2]	Atlanta (Downtown), GA	150
Courtyard by Marriott [2]	New Orleans (French Quarter), LA	140
Courtyard by Marriott [2]	Kansas City, MO	123
Courtyard by Marriott [1]	Dallas (Arlington), TX	103
Fairfield Inn & Suites by Marriott [1]	Louisville, KY	140
Four Points by Sheraton [1]	San Francisco, CA	101
Marriott [2]	Boulder, CO	157
Residence Inn by Marriott [1]	Salt Lake City, UT	189
Residence Inn by Marriott [2]	Baltimore, MD	188
Residence Inn by Marriott [2]	Cleveland, OH	175
Residence Inn by Marriott [2]	Atlanta (Midtown), GA	160
Residence Inn by Marriott [2][3]	Hunt Valley, MD	141
Residence Inn by Marriott [1][3]	Portland, OR	124
Residence Inn by Marriott [1]	New Orleans (Metairie), LA	120
Residence Inn by Marriott [2]	Branchburg, NJ	101
Residence Inn by Marriott [2]	Dallas (Arlington), TX	96
SpringHill Suites by Marriott [1]	New Orleans, LA	208
SpringHill Suites by Marriott [1]	Louisville, KY	198
SpringHill Suites by Marriott [1]	Indianapolis, IN	156
SpringHill Suites by Marriott [1]	Phoenix (Scottsdale), AZ	121
SpringHill Suites by Marriott [2]	Minneapolis (Bloomington), MN	113
SpringHill Suites by Marriott [2]	Nashville, TN	78
Total Marriott (34 hotel properties)		**5,581**

Franchise/Brand	Location	Number of Guestrooms
Hilton		
DoubleTree [2]	San Francisco, CA	210
Hampton Inn [2]	Boston (Norwood), MA	139
Hampton Inn [1]	Santa Barbara (Goleta), CA	101
Hampton Inn [2]	Provo, UT	87
Hampton Inn & Suites [2]	Minneapolis, MN	211
Hampton Inn & Suites [2][3]	Austin, TX	209
Hampton Inn & Suites [2]	Minneapolis (Bloomington), MN	146
Hampton Inn & Suites [1]	Tampa (Ybor City), FL	138
Hampton Inn & Suites [2]	Baltimore, MD	116
Hampton Inn & Suites [1]	Ventura (Camarillo), CA	116
Hampton Inn & Suites [1]	San Diego (Poway), CA	108
Hampton Inn & Suites [2]	Nashville (Smyrna), TN	83
Hilton Garden Inn [1]	Houston (Energy Corridor), TX	190
Hilton Garden Inn [2][3]	Houston (Galleria), TX	182
Hilton Garden Inn [2]	Waltham, MA	148
Hilton Garden Inn [1]	Birmingham, AL	130
Hilton Garden Inn [2]	Atlanta (Duluth), GA	122
Hilton Garden Inn [1]	Greenville, SC	120
Hilton Garden Inn [2]	Nashville (Smyrna), TN	112
Hilton Garden Inn [2]	Minneapolis (Eden Prairie), MN	97
Hilton Garden Inn [1]	Birmingham, AL	95
Homewood Suites [2]	Aliso Viejo (Laguna Beach), CA	129
Homewood Suites [2]	Tucson, AZ	122
Total Hilton (23 hotel properties)		**3,111**
Hyatt		
Hyatt House [2]	Miami, FL	163
Hyatt House [1]	Denver (Englewood), CO	135
Hyatt Place [2]	Minneapolis, MN	213
Hyatt Place [2]	Chicago (Downtown), IL	206
Hyatt Place [1]	Phoenix (Mesa), AZ	152
Hyatt Place [1]	Chicago (Lombard), IL	151
Hyatt Place [1]	Orlando (Convention), FL	150
Hyatt Place [1]	Orlando (Universal), FL	150
Hyatt Place [2]	Fort Myers, FL	148
Hyatt Place [2][3]	Portland, OR	136
Hyatt Place [2]	Phoenix, AZ	127
Hyatt Place [1]	Dallas (Arlington), TX	127
Hyatt Place [1]	Denver (Lone Tree), CO	127
Hyatt Place [1]	Phoenix (Scottsdale), AZ	126
Hyatt Place [1]	Denver (Englewood), CO	126
Hyatt Place [1]	Chicago (Hoffman Estates), IL	126
Hyatt Place [1]	Baltimore (Owing Mills), MD	123
Hyatt Place [2][4]	Long Island (Garden City), NY	122
Total Hyatt (18 hotel properties)		**2,608**

Franchise/Brand	Location	Number of Guestrooms
IHG		
Holiday Inn [2][3]	Atlanta (Duluth), GA	143
Holiday Inn Express [2]	Charleston, WV	66
Holiday Inn Express & Suites [2]	San Francisco, CA	252
Holiday Inn Express & Suites [2]	Minneapolis (Minnetonka), MN	93
Holiday Inn Express & Suites [1]	Salt Lake City (Sandy), UT	88
Hotel Indigo [2]	Asheville, NC	115
Staybridge Suites [2]	Denver (Glendale), CO	121
Total IHG (7 hotel properties)		**878**
Carlson		
Country Inn & Suites by Carlson [2]	Charleston, WV	64
Total Carlson (1 hotel property)		**64**
Total Portfolio (83 hotel properties)		**12,242**

(1) These hotel properties are subject to mortgage debt at December 31, 2017 . For additional information concerning our mortgage debt and lenders, see Item 7. — “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Outstanding Indebtedness,” and "Note 5-Debt,” to our Consolidated Financial Statements included under Item 8. — “Financial Statements and Supplementary Data.”
(2) These hotel properties are unencumbered or included in our borrowing base for our unsecured credit and term loan facilities at December 31, 2017.
(3) These hotel properties are subject to ground leases as described below in “Other Hotel Operating Agreements — Ground Leases.”
(4) This hotel property is subject to a PILOT (payment in lieu of taxes) lease as described below in “Other Hotel Operating Agreements — Ground Leases . ”

In addition to our hotel property portfolio, we own several parcels of unimproved land. Two of the parcels are designated as held for sale. The parcels are generally suitable for the development of new hotel properties, possible expansion of existing hotel properties or the development of restaurants. When unique opportunities to develop hotels utilizing our own resources arise, we may develop our own hotels on occasion. We may also sell these parcels in the future if and when market conditions warrant if we opt not to develop our own hotels on these parcels. To reduce the risk of incurring a prohibited transaction tax on any sales, we may transfer some or all of these parcels to our TRS.

Our Hotel Operating Agreements

Ground Leases

At December 31, 2017 , six of our hotel properties are subject to ground lease agreements that cover all of the land underlying the respective hotel property.

- The Residence Inn by Marriott located in Portland, OR is subject to a ground lease with an initial lease termination date of June 30, 2084 with one option to extend for an additional 14 years. Ground rent for the initial lease term was prepaid in full at the time we acquired the leasehold interest. If the option to extend is exercised, monthly ground rent will be charged based on a formula established in the ground lease.
- The Hampton Inn & Suites located in Austin, TX is subject to a ground lease with an initial lease termination date of May 31, 2050. Annual ground rent currently is estimated to be $0.4 million for 2018 including performance based incentive rent. Annual rent is increased every five years with the next adjustment coming in 2020.
- The Hilton Garden Inn located in Houston (Galleria Area), Texas is subject to a ground lease with an initial lease termination date of April 20, 2053 with one option to extend for an additional 10 years. Annual ground rent currently is estimated to be $0.5 million for 2018 including performance based incentive rent. Annual rent is increased every five years with the next adjustment coming in 2018.
- The Hyatt Place located in Portland, OR is subject to a ground lease with a lease termination date of June 30, 2084 with one option to extend for an additional 14 years. Ground rent for the initial lease term was prepaid in full at the time we acquired the leasehold interest. If the option to extend is exercised, monthly ground rent will be charged based on a formula established in the ground lease.
- The Holiday Inn located in Duluth, GA is subject to a ground lease with a lease termination date of April 1, 2069. Annual ground rent currently is estimated to be $0.2 million in 2018. Annual rent is increased annually by 3% for each successive lease year, on a cumulative basis.
- The Residence Inn by Marriott located in Baltimore (Hunt Valley), MD is subject to a ground lease with an initial termination date of December 31, 2019 and twelve successive five-year renewal periods with annual payments increasing by 12.5% at the start of each 5-year term. Annual ground rent is currently estimated to be $0.4 million for 2018.

These ground leases generally require us to make rental payments and payments for our share of charges, costs, expenses, assessments and liabilities, including real property taxes and utilities. Furthermore, these ground leases generally require us to obtain and maintain insurance covering the subject property.

In addition, the Hyatt Place located in Garden City, NY is subject to a PILOT (payment in lieu of taxes) lease with the Town of Hempstead Industrial Development Authority (the "IDA"), as lessor. The lease expires on December 31, 2019. Upon expiration of the lease, we expect to exercise our right to acquire a fee simple interest in the Garden City hotel property from the IDA for a nominal consideration.

Franchise Agreements

At December 31, 2017 , all of our hotel properties operate under franchise agreements with Marriott, Hilton, Hyatt, IHG, or Country Inns & Suites By Carlson, Inc. ("Carlson"). We believe that the public's perception of the quality associated with a branded hotel is an important feature in its attractiveness to guests. Franchisors provide a variety of benefits to franchisees, including centralized reservation systems, national advertising, marketing programs and publicity designed to increase brand awareness, loyalty programs, training of personnel and maintenance of operational quality at hotels across the brand system.

The terms of our franchise agreements generally range from 10 to 20 years with various extension provisions. Each franchisor receives franchise fees ranging from 2% to 6% of each hotel property's room revenue, and some agreements require that we pay marketing fees of up to 4% of room revenue. In addition, some of these franchise agreements require that we deposit into a reserve fund for capital expenditures up to 5% of the hotel property's gross or room revenues depending on the franchisor to insure we comply with the franchisors' standards and requirements. We also pay fees to our franchisors for services such as reservation and information systems.

Hotel Management Agreements

At December 31, 2017 , all of our hotel properties are operated pursuant to hotel management agreements with professional third-party hotel management companies as follows:

Management Company	Number of Properties	Number of Guestrooms
Interstate Management Company, LLC and its affiliate Noble Management Group, LLC	37	5,179
Select Hotel Group, LLC	12	1,681
OTO Development, LLC	10	1,396
Affiliates of Marriott, including Courtyard Management Corporation, SpringHill SMC Corporation and Residence Inn by Marriott	7	1,176
White Lodging Services Corporation	4	791
Stonebridge Realty Advisors, Inc.	4	597
Affiliates of IHG including IHG Management (Maryland) LLC and Intercontinental Hotel Group Resources, Inc.	2	395
American Liberty Hospitality, Inc.	2	372
Aimbridge Hospitality (formerly Pillar Hotels and Resorts, LLC)	2	199
Kana Hotels, Inc.	2	195
Fillmore Hospitality	1	261
Total	**83**	**12,242**

Our typical hotel management agreement requires us to pay a base fee to our hotel manager calculated as a percentage of hotel revenues. In addition, our hotel management agreements generally provide that the hotel manager can earn an incentive fee for EBITDA over certain thresholds. Our TRS lessees may employ other hotel managers in the future. We do not, and will not, have any ownership or economic interest in any of the hotel management companies engaged by our TRS lessees.

Item 3. Legal Proceedings.

We are involved from time to time in litigation arising in the ordinary course of business; however, there are currently no pending legal actions that we believe would have a material adverse effect on our financial position or results of operations.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock began trading on the NYSE on February 9, 2011 under the symbol "INN." Prior to that time, there was no public trading market for our common stock. The last reported sale price for our common stock as reported on the NYSE on February 15, 2018 was $14.35 per share. The following table sets forth the high and low closing sales price per share of our common stock per quarter reported on the NYSE, and the distributions declared on our common stock for each of the quarters indicated.

2017	High	Low	Distribution Declared Per Common Share/Unit
Fourth Quarter	$ 16.28	$ 14.82	$ 0.1800
Third Quarter	$ 19.03	$ 14.46	$ 0.1700
Second Quarter	$ 19.22	$ 15.54	$ 0.1700
First Quarter	$ 16.36	$ 15.21	$ 0.1700

2016	High	Low	Distribution Declared Per Common Share/Unit
Fourth Quarter	$ 16.04	$ 12.57	$ 0.1625
Third Quarter	$ 14.37	$ 13.09	$ 0.1625
Second Quarter	$ 13.24	$ 11.06	$ 0.1325
First Quarter	$ 11.97	$ 9.28	$ 0.1325

Stockholder Information

As of February 15, 2018 , our common stock was held of record by 308 holders and there were 104,326,620 shares of our common stock outstanding.

Distribution Information

As a REIT, we must distribute annually to our stockholders an amount at least equal to 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gain. We will be subject to income tax on our taxable income that is not distributed and to an excise tax to the extent that certain percentages of our taxable income are not distributed by specified dates. Our cash available for distribution may be less than the amount required to meet the distribution requirements for REITs under the IRC and we may be required to borrow money, sell assets or issue capital stock to satisfy the distribution requirements to maintain our REIT status.

The timing and frequency of distributions will be authorized by our Board of Directors, in its sole discretion, and declared by us based upon a variety of factors deemed relevant by our directors, including financial condition, restrictions under applicable law and loan agreements, capital requirements and the REIT requirements of the IRC. Our ability to make distributions will generally depend on receipt of distributions from the Operating Partnership, which depends primarily on lease payments from our TRS lessees with respect to our hotels.

We are generally restricted from declaring or paying any distributions, or setting aside any funds for the payment of distributions, on our common stock unless full cumulative distributions on our preferred stock have been declared and either paid or set aside for payment in full for all past distribution periods.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of December 31, 2017 with respect to our securities that may be issued under existing equity compensation plans:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans [1]
Equity Compensation Plans Approved by Summit Hotel Properties, Inc. Stockholders [2]	235,000	$ 9.75	2,874,428
Equity Compensation Plans Not Approved by Summit Hotel Properties, Inc. Stockholders	—	—	—
Total	235,000	$ 9.75	2,874,428

(1) Excludes securities reflected in the column entitled "Number of Securities to be Issued Upon Exercise of Outstanding Options."
(2) Consists of our Equity Plan.

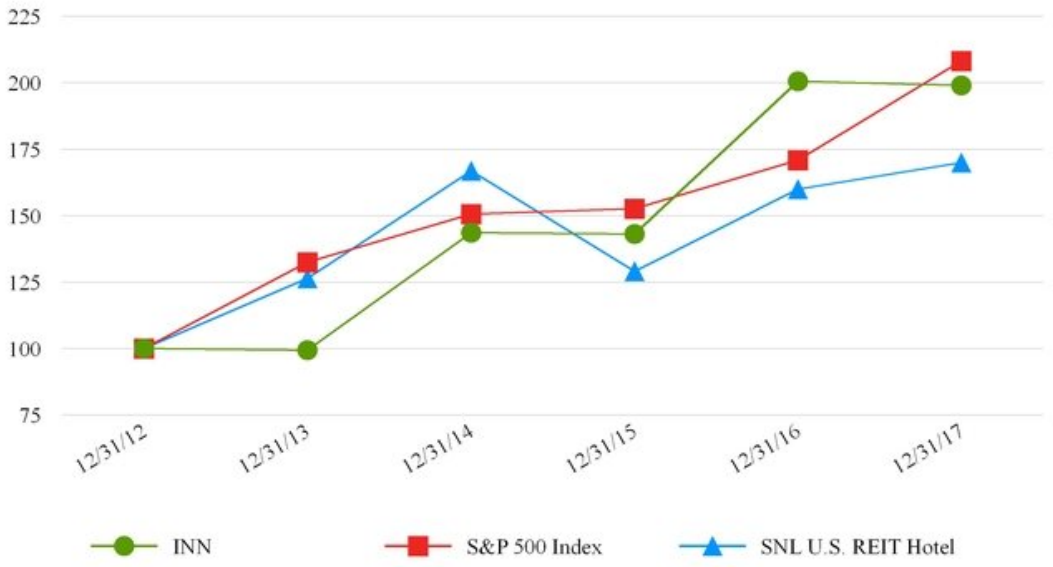
The following table represents common shares retained by the Company for employee taxes due upon vesting of equity awards during the year ended December 31, 2017:

Period	Total Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
January 1, 2017 - January 31, 2017	12,455	$ 16.03	—	—
March 1, 2017 - March 31, 2017	29,900	$ 15.35	—	—
May 1, 2017 - May 31, 2017	16,756	$ 18.04	—	—
Total	59,111		—	

Stock Performance Graph

The following graph compares the yearly change in our cumulative total stockholder return on our common shares from December 31, 2012 and through December 31, 2017 , with the yearly change in the Standard and Poor's 500 Stock Index ("S&P 500 Index"), and the SNL US REIT Hotel Index for the same period, assuming a base share price of $100.00 for our common stock, the S&P 500 Index and the SNL US REIT Hotel Index for comparative purposes. The SNL US REIT Hotel Index is composed of publicly traded REITs, all of which focus on investments in hotel properties. Total stockholder return equals appreciation in stock price plus dividends paid and assumes that all dividends are reinvested. The performance graph is not indicative of future investment performance. We do not make or endorse any predictions as to future share price performance.

	Period Ended					
Index	**12/31/2012**	**12/31/2013**	**12/31/2014**	**12/31/2015**	**12/31/2016**	**12/31/2017**
Summit Hotel Properties, Inc.	100.00	99.30	143.59	143.06	200.53	198.91
S&P 500 Index	100.00	132.39	150.51	152.59	170.84	208.14
SNL US REIT Hotel	100.00	126.33	166.75	128.99	159.87	169.90



Item 6. Selected Financial Data.

The following information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited Consolidated Financial Statements and related notes thereto, appearing elsewhere in this Form 10-K.

(in thousands, except per share amounts)	2017	2016	2015	2014	2013
Statement of Operations Data					
Revenues:					
Room	$ 479,934	$ 443,270	$ 436,202	$ 380,472	$ 283,279
Other hotel operations revenue	35,443	30,665	27,253	22,994	15,679
Total revenues	515,377	473,935	463,455	403,466	298,958
Expenses:					
Hotel operating expenses:					
Room	123,129	110,221	109,844	101,150	80,391
Other direct	67,256	64,608	64,010	55,388	39,815
Other indirect	135,219	120,852	121,974	104,959	78,136
Total hotel operating expenses	325,604	295,681	295,828	261,497	198,342
Depreciation and amortization	85,927	72,406	64,052	63,763	49,330
Corporate general and administrative	19,597	19,292	21,204	19,884	12,929
Hotel property acquisition costs	354	3,492	1,246	769	1,886
Loss on impairment of assets	—	577	1,115	8,847	1,369
Total expenses	431,482	391,448	383,445	354,760	263,856
Operating income	83,895	82,487	80,010	48,706	35,102
Other income (expense):					
Interest expense	(29,687)	(28,091)	(30,414)	(28,517)	(21,991)
Gain on disposal of assets, net	43,209	49,855	65,067	391	363
Other income (expense)	3,778	2,560	11,146	595	(1,955)
Total other income (expense), net	17,300	24,324	45,799	(27,531)	(23,583)
Income from continuing operations before income taxes	101,195	106,811	125,809	21,175	11,519
Income tax (expense) benefit	(1,674)	1,450	(553)	(744)	(4,894)
Income from continuing operations	99,521	108,261	125,256	20,431	6,625
Income (loss) from discontinued operations	—	—	—	492	(728)
Net income	99,521	108,261	125,256	20,923	5,897
Less - (income) loss attributable to non-controlling interests:					
Operating partnership	(307)	(456)	(819)	(51)	297
Joint venture	—	—	—	(1)	(316)
Net income attributable to Summit Hotel Properties, Inc.	99,214	107,805	124,437	20,871	5,878
Preferred dividends	(17,408)	(18,232)	(16,588)	(16,588)	(14,590)
Premium on redemption of preferred stock	(2,572)	(2,125)	—	—	—
Net income (loss) attributable to common stockholders	$ 79,234	$ 87,448	$ 107,849	$ 4,283	$ (8,712)
Earnings per share - Basic:					
Net income (loss) per share from continuing operations	$ 0.79	$ 1.00	$ 1.25	$ 0.04	$ (0.11)
Net income (loss) per share from discontinued operations	—	—	—	0.01	(0.01)
Net income (loss) per share	$ 0.79	$ 1.00	$ 1.25	$ 0.05	$ (0.12)
Earnings per share - Diluted:					
Net income (loss) per share from continuing operations	$ 0.79	$ 1.00	$ 1.24	$ 0.04	$ (0.11)
Net income (loss) per share from discontinued operations	—	—	—	0.01	(0.01)
Net income (loss) per share	$ 0.79	$ 1.00	$ 1.24	$ 0.05	$ (0.12)
Weighted average common shares outstanding:					
Basic	99,406	86,874	85,920	85,242	70,327
Diluted	99,780	87,343	87,144	85,566	70,327
Dividends per share	$ 0.67	$ 0.55	$ 0.47	$ 0.46	$ 0.45
Balance Sheet Data					
Total assets	$ 2,209,874	$ 1,718,505	$ 1,575,394	$ 1,453,835	$ 1,288,540
Debt	$ 868,236	$ 652,414	$ 671,536	$ 621,344	$ 429,653
Total equity	$ 1,277,376	$ 1,013,470	$ 856,926	$ 785,201	$ 822,378

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Industry Trends and Outlook

Room-night demand in the U.S. lodging industry is generally correlated to certain macroeconomic trends. Key drivers of lodging demand include growth in gross domestic product, corporate profits, capital investments and employment. Volatility in the economy and lodging demand and risks arising from global and domestic political or economic conditions may cause economic growth to slow or stall. Also, increasing supply in the industry, and specifically in our markets or sub-markets, may reduce RevPAR growth expectations.

The U.S. lodging industry has experienced a positive trend since emerging from the last downturn in 2010, though at a slower rate in 2017. According to the PricewaterhouseCoopers LLP industry report, "Hospitality Directions: January 2018," RevPAR growth in the U.S. for Upscale hotels is forecasted to be 2.3% for 2018. While we continue to have a positive outlook on national macroeconomic conditions and their effect on RevPAR growth, the velocity of RevPAR growth for fiscal year 2017 decelerated from that experienced in 2016 based in part on slower growth in business travel. Our industry and the Upscale market segment have experienced declining rates of RevPAR growth and we could experience a decline in our RevPAR growth in the near term due to increases in supply or reduced demand in our market or sub-markets.

Operating Performance Metrics

We use a variety of performance indicators and other information to evaluate the financial condition and operating performance of our business. These key indicators include financial information that is prepared in accordance with GAAP, as well as other financial information that is not prepared in accordance with GAAP. In addition, we use other information that may not be financial in nature, including statistical information and comparative data. We use this information to measure the performance of individual hotel properties, groups of hotel properties and/or our business as a whole. We periodically compare historical information to our internal budgets as well as industry-wide information. These key indicators include:

- **Occupancy** — Occupancy represents the total number of guestrooms occupied divided by the total number of guestrooms available.
- **Average Daily Rate (ADR)** — ADR represents total room revenues divided by the total number of guestrooms occupied.
- **Revenue Per Available Room (RevPAR**) — RevPAR is the product of ADR and Occupancy.

Occupancy, ADR and RevPAR are commonly used measures within the hotel industry to evaluate operating performance. RevPAR is an important metric for monitoring operating performance at the individual hotel property level and across our business as a whole. We evaluate individual hotel RevPAR performance on an absolute basis with comparisons to budget and prior periods, as well as on a company-wide and regional basis. ADR and RevPAR are based only on room revenue. Room revenue depends on demand (as measured by occupancy), pricing (as measured by ADR), and our available supply of hotel guestrooms. Our ADR, occupancy and RevPAR performance may be affected by macroeconomic factors such as regional and local employment growth, personal income and corporate earnings, office vacancy rates and business relocation decisions, air travel and other business and leisure travel, new hotel property construction, and the pricing strategies of competitors. In addition, our ADR, occupancy and RevPAR performance is dependent on the continued success of our franchisors and brands.

Hotel Property Portfolio Activity

Acquisitions

We acquired 14 hotel properties in 2017 and four hotel properties in 2016 . A summary of these acquisitions is as follows (dollars in thousands):

Date Acquired	Franchise/Brand	Location	Guestrooms	Purchase Price [1]
Year Ended December 31, 2017				
March 1, 2017	Homewood Suites	Aliso Viejo (Laguna Beach), CA	129	$ 38,000
March 30, 2017	Hyatt Place	Phoenix (Mesa), AZ	152	22,200
May 23, 2017	Courtyard by Marriott	Fort Lauderdale, FL	261	85,000
June 9, 2017	Courtyard by Marriott	Charlotte, NC	181	56,250
June 21, 2017	Courtyard by Marriott	Fort Worth, TX	203	40,000
June 21, 2017	Courtyard by Marriott	Kansas City, MO	123	24,500
June 21, 2017	Courtyard by Marriott	Pittsburgh, PA	182	42,000
June 21, 2017	Hampton Inn & Suites	Baltimore, MD	116	18,000
June 21, 2017	Residence Inn by Marriott	Baltimore, MD	188	38,500
July 13, 2017	AC Hotel by Marriott	Atlanta, GA	255	57,500
November 14, 2017	Courtyard by Marriott	New Haven, CT	207	63,400
November 14, 2017	Hilton Garden Inn	Waltham, MA	148	32,300
November 14, 2017	Homewood Suites	Tucson, AZ	122	25,300
November 14, 2017	Residence Inn by Marriott	Cleveland, OH	175	43,000
			2,442	$ 585,950 [2]
Year Ended December 31, 2016				
January 19, 2016	Courtyard by Marriott	Nashville, TN	226	$ 71,000
January 20, 2016	Residence Inn by Marriott	Atlanta, GA	160	38,000
August 9, 2016	Marriott	Boulder, CO	157	61,400
October 28, 2016	Hyatt Place	Chicago, IL	206	73,750
			749	$ 244,150 [3]

(1) In addition to the purchase price, we generally anticipate investing additional amounts for hotel renovations at the time we purchase a hotel property. Such additional investments are included in our underwriting of the hotel property prior to purchase, but are not included in the table above.. See Item 7. – "Management's Discussion and Analysis of Financial Condition and Results of Operations – Capital Expenditures."
(2) The net assets acquired totaled $588.8 million due to the purchase at settlement of $0.2 million of net working capital assets and capitalized transaction costs of $2.6 million.
(3) The net assets acquired totaled $244.7 million due to the purchase at settlement of $0.6 million of net working capital assets.

The purchase price of the 14 hotels acquired in 2017 was funded by a combination of the net proceeds of our Series E cumulative redeemable preferred stock offering, the net proceeds from the sale of common stock, advances on our senior unsecured credit and term loan facility, advances on our 2017 term loan, cash generated from the sale of properties, and operating cash flows. The purchase price in 2016 was funded by the net proceeds of our Series D cumulative redeemable preferred stock offering, net proceeds from the sale of common stock, advances on our senior unsecured credit and term loan facility, cash generated from the sale of properties, and operating cash flows.

Dispositions to Affiliates of Hospitality Investors Trust, Inc. (formerly American Realty Capital Hospitality Trust, Inc.)

On February 11, 2016, we completed the sale of six hotels to affiliates of Hospitality Investors Trust, Inc. ("HIT") for an aggregate selling price of $108.3 million (the "HIT Sale"), with the proceeds from the HIT Sale being used to complete certain reverse 1031 Exchanges. The hotels acquired by us for the reverse 1031 Exchanges included the 179-guestroom Courtyard by Marriott in Atlanta (Decatur), GA on October 20, 2015 for a purchase price of $44.0 million and the 226-guestroom Courtyard by Marriott, Nashville, TN for a purchase price of $71.0 million on January 19, 2016. The completion of the reverse 1031 Exchanges resulted in the deferral of taxable gains of approximately $74.0 million and the pay-down of our unsecured revolving credit facility by $105.0 million. Additionally, we repaid a mortgage loan totaling $5.8 million related to the sale of a hotel to HIT. The HIT Sale resulted in a $56.8 million gain, of which $20.0 million was initially deferred related to seller financing that we provided as described below.

In connection with the HIT Sale, the Operating Partnership entered into a loan agreement with HIT, as borrower, which provided for a loan by the Operating Partnership to HIT in the amount of $27.5 million (the “Loan” or "Loan Agreement"). The proceeds of the Loan were required to be applied by HIT as follows: (i) $20.0 million was applied toward the payment of a portion of the $108.3 million purchase price for the six hotels acquired by HIT as part of the HIT Sale; and (ii) the remaining $7.5 million was applied by HIT to fund the escrow deposit required for the purchase of eight hotels as described below. Through December 31, 2016, we had recognized as income $5.0 million of the deferred gain upon receipt of scheduled repayments of the principal balance of the loan from HIT. On March 31, 2017, HIT repaid the remaining $22.5 million principal balance of the Loan and payment-in-kind (“PIK”) interest of $1.2 million. As such, we recognized as income during the year ended December 31, 2017 the remaining $15.0 million of the deferred gain related to the sale of six hotels to HIT.

Pursuant to an agreement entered into by the Company and an affiliate of HIT on February 11, 2016, as such agreement was subsequently modified and extended, the affiliate of HIT was to purchase ten of the Company's hotels. Two of the hotels were sold during 2016 to a purchaser not affiliated with HIT, as permitted by the agreement.

On April 27, 2017, we completed the sale of seven of the remaining eight hotels to an affiliate of HIT for a total selling price of $66.8 million, resulting in a net gain of approximately $16.0 million. The seven hotels sold were as follows:

Hotel	Location	Guestrooms
Courtyard by Marriott	Jackson, MS	117
Courtyard by Marriott	Germantown, TN	93
Fairfield Inn & Suites	Germantown, TN	80
Homewood Suites	Ridgeland, MS	91
Residence Inn	Jackson, MS	100
Residence Inn	Germantown, TN	78
Staybridge Suites	Ridgeland, MS	92
Total		651

The proceeds from this sale were used to complete a 1031 Exchange, which resulted in the deferral of taxable gains of approximately $20.8 million . The hotel acquired by us for the 1031 Exchange was the 261 -guestroom Courtyard by Marriott, Fort Lauderdale, FL for a purchase price of $85.0 million on May 23, 2017.

On June 2, 2017, we completed the sale of the Courtyard by Marriott, El Paso, TX, which was the final hotel under contract for sale to HIT, to a third-party purchaser that is unrelated to HIT. The sale of this property resulted in the realization of a net gain of $0.4 million during the year ended December 31, 2017 . As a result of this sale, HIT has fulfilled its purchase obligations to us.

Other Dispositions

On March 30, 2017, we completed the sale of the Hyatt Place in Atlanta, GA for $14.5 million and repaid a related mortgage loan totaling $6.5 million. The sale of this property resulted in the realization of a net gain of $4.8 million during the year ended December 31, 2017 .

On July 21, 2017, we completed the sale of three hotel properties in Fort Worth, TX for an aggregate sales price of $27.8 million, resulting in a net gain of $8.1 million. The proceeds from this sale were used to complete a 1031 Exchange, which resulted in the deferral of taxable gains of $8.6 million.

The sale of these four properties during the year ended December 31, 2017 resulted in the realization of a combined net gain of $12.9 million.

On May 13, 2016, we completed the sale of the Holiday Inn Express & Suites in Irving (Las Colinas), TX for $10.5 million.

We also completed the sale of two properties previously contracted for sale to HIT to third parties unrelated to HIT. The first sale was the Aloft in Jacksonville, FL for $8.6 million on June 1, 2016. The second sale was the Holiday Inn Express in Vernon Hills, IL for $5.9 million on June 7, 2016. The proceeds from the sale of the Holiday Inn Express & Suites in Irving

(Las Colinas), TX and the Holiday Inn Express in Vernon Hills, IL were used to complete a reverse 1031 Exchange with the acquisition of the 160-guestroom Residence Inn by Marriott in Atlanta, GA on January 20, 2016 for a purchase price of $38.0 million. The completion of the reverse 1031 Exchange resulted in the deferral of taxable gains of approximately $5.1 million.

On July 6, 2016, we completed the sale of the Hyatt Place in Irving (Las Colinas), TX for $14.0 million. The proceeds from the sale of this property were used to complete a 1031 Exchange related to the purchase of the 157-guestroom Marriott in Boulder, CO on August 9, 2016 for a purchase price of $61.4 million. The completion of the 1031 Exchange resulted in the deferral of taxable gains of approximately $7.5 million.

The sale of these four properties during the year ended December 31, 2016 resulted in the realization of a combined net gain of $8.1 million.

A summary of the dispositions in 2017 and 2016 follows (dollars in thousands):

Disposition Date	Franchise/Brand	Location	Guestrooms	Gross Sales Price
Year Ended December 31, 2017				
March 30, 2017	Hyatt Place	Atlanta, GA	150	$ 14,500
April 27, 2017	Courtyard by Marriott	Jackson, MS	117	9,774
April 27, 2017	Courtyard by Marriott	Germantown, TN	93	11,615
April 27, 2017	Fairfield Inn & Suites by Marriott	Germantown, TN	80	4,866
April 27, 2017	Homewood Suites	Ridgeland, MS	91	9,676
April 27, 2017	Residence Inn by Marriott	Jackson, MS	100	14,030
April 27, 2017	Residence Inn by Marriott	Germantown, TN	78	8,910
April 27, 2017	Staybridge Suites	Ridgeland, MS	92	7,882
June 2, 2017	Courtyard by Marriott	El Paso, TX	90	11,150
July 21, 2017	Fairfield Inn & Suites by Marriott	Fort Worth, TX	70	4,700
July 21, 2017	Hampton Inn & Suites	Fort Worth, TX	105	13,834
July 21, 2017	Hilton Garden Inn	Fort Worth, TX	98	9,216
Total			1,164	$ 120,153
Year Ended December 31, 2016				
February 11, 2016	Fairfield Inn & Suites	Bellevue, WA	144	$ 34,274
February 11, 2016	Fairfield Inn & Suites	Spokane, WA	84	13,542
February 11, 2016	Fairfield Inn & Suites	Denver, CO	160	19,118
February 11, 2016	Springhill Suites	Denver, CO	124	12,965
February 11, 2016	Hampton Inn	Fort Collins, CO	75	6,987
February 11, 2016	Hilton Garden Inn	Fort Collins, CO	120	21,397
May 13, 2016	Holiday Inn Express	Irving (Las Colinas), TX	128	10,500
June 1, 2016	Aloft	Jacksonville, FL	136	8,590
June 7, 2016	Holiday Inn Express	Vernon Hills, IL	119	5,900
July 6, 2016	Hyatt Place	Irving (Las Colinas), TX	122	14,000
Total			1,212	$ 147,273

The sale of the 12 properties during the year ended December 31, 2017 resulted in the realization of a combined net gain of $29.3 million.

Hotel Revenues and Operating Expenses

Our revenues are derived from hotel operations and consist of room revenue and other hotel operations revenue. As a result of our focus on select-service hotels, substantially all of our revenues are related to the sales of hotel guestrooms. Our other hotel operations revenue consists of ancillary revenues related to food and beverage sales, meeting rooms, retail space available for long-term lease and other guest services provided at certain of our hotel properties.

Our hotel operating expenses consist primarily of expenses incurred in the day-to-day operation of our hotel properties. Many of our expenses are fixed, such as essential hotel staff, real estate taxes, insurance, depreciation and certain types of franchise fees, and these expenses do not decrease even if the revenues at our hotel properties decrease. Our hotel operating expenses consist of room expenses (wages, payroll taxes and benefits, linens, cleaning and guestroom supplies, and complimentary breakfast), other direct expenses (office supplies, utilities, telephone, advertising and bad debts), and other indirect expenses (real and personal property taxes, insurance, travel agent and credit card commissions, hotel management fees, and franchise fees).

Results of Operations

The comparisons that follow should be reviewed in conjunction with the Consolidated Financial Statements included elsewhere in this Form 10-K.

Comparison of 2017 to 2016

The following table contains key operating metrics for our total portfolio and our same-store portfolio for 2017 compared with 2016 (dollars in thousands, except ADR and RevPAR). We define same-store hotels as properties that we owned or leased as of December 31, 2017 and that we have owned or leased at all times since January 1, 2016 .

	2017		2016		Year-over-Year Dollar Change		Year-over-Year Percentage/Basis Point Change	
	Total Portfolio (83 hotels)	Same-Store Portfolio (65 hotels)	Total Portfolio (81 hotels)	Same-Store Portfolio (65 hotels)	Total Portfolio (83/81 hotels)	Same-Store Portfolio (65 hotels)	Total Portfolio (83/81 hotels)	Same-Store Portfolio (65 hotels)
Total revenues	$ 515,377	$ 400,688	$ 473,935	$ 401,019	$ 41,442	$ (331)	8.7%	(0.1)%
Hotel operating expenses	$ 325,604	$ 255,420	$ 295,681	$ 249,163	$ 29,923	$ 6,257	10.1%	2.5 %
Occupancy	78.9%	78.9%	77.9%	78.1%	n/a	n/a	100 bps	80 bps
ADR	$ 146.74	$ 144.09	$ 141.77	$ 145.15	$ 4.97	$ (1.06)	3.5%	(0.7)%
RevPAR	$ 115.80	$ 113.65	$ 110.41	$ 113.41	$ 5.39	$ 0.24	4.9%	0.2 %

The total portfolio information above includes revenues and expenses from the 14 hotels we acquired in 2017 (the " 2017 Acquired Hotels") and the four hotel properties that we acquired in 2016 (the " 2016 Acquired Hotels") from the date of acquisition through December 31, 2017 , and operating information (occupancy, ADR, and RevPAR) for the period each hotel was owned. Accordingly, the information does not reflect a full twelve months of operations in 2017 for the 2017 Acquired Hotels or a full twelve months of operations in 2016 for the 2016 Acquired Hotels. The combined 2017 Acquired Hotels and 2016 Acquired Hotels are referred to as the " 2017 / 2016 Acquired Hotels."

Revenues . Total revenues for the total portfolio increased $41.4 million , or 8.7% , in 2017 . The growth was due to incremental revenues of $72.7 million generated by the 2017 / 2016 Acquired Hotels, partially offset by a $0.3 million decline in same-store revenues and a $31.0 million decline in revenue related to the hotel properties sold during the period.

Same-store revenues were relatively consistent from 2016 to 2017 due to the lower-than-expected performance of hotels in certain geographies due to increased supply or other economic challenges, partially offset by our strong revenue and asset management programs and strategic and brand-required renovations made at our same-store hotels.

RevPAR for the total portfolio increased by 4.9% in 2017 compared to 2016 as the result of the purchase of higher RevPAR hotel properties with the 2017/2016 Acquired Hotels, which produced an aggregate RevPAR of $134.15 in 2017; the sale of lower RevPAR hotels since December 31, 2016, which produced an aggregate RevPAR of $81.00 in 2016; and an increase in RevPAR for same-store hotel properties of 0.2% in 2017.

The following table summarizes our hotel operating expenses for our same-store (65 hotels) portfolio for 2017 and 2016 (dollars in thousands):

			Percentage	Percentage of Revenue	
	2017	2016	Change	2017	2016
Rooms expense	$ 97,444	$ 93,143	4.6 %	24.3%	23.2%
Other direct expense	53,239	53,747	(0.9)%	13.3%	13.4%
Other indirect expense	104,737	102,273	2.4 %	26.1%	25.5%
Total hotel operating expenses	$ 255,420	$ 249,163	2.5 %	63.7%	62.1%

Hotel Operating Expenses . Hotel operating expenses for the total portfolio and same-store portfolio increased $29.9 million and $6.3 million , respectively, in 2017 compared to 2016. Hotel operating expenses for the total portfolio were affected by incremental expenses from the 2017 / 2016 Acquired Hotels offset by a reduction of expenses from sold hotels.

The increase in same-store rooms expense in 2017 was primarily due to an increase in occupancy which drove increased labor costs of $2.6 million. We anticipate that labor costs are likely to continue to grow modestly due to the upward pressure on wages in certain markets with lower unemployment rates.

Other direct expense for the same-store portfolio is generally fixed in nature and declined slightly in 2017 compared to 2016.

Other indirect expense for the same-store portfolio increased by 2.4% in 2017 compared to 2016 primarily due to an increase in property tax expenses of $2.5 million.

Other Corporate Expenses

Depreciation and Amortization . Depreciation and amortization expense increased $13.5 million , or 18.7% , in 2017 , primarily due to incremental depreciation associated with the 2017 / 2016 Acquired Hotels of $15.2 million partially offset by the decrease in depreciation and amortization related to the properties disposed in 2016 and 2017 of $1.4 million.

Corporate General and Administrative . Corporate general and administrative expenses increased by $0.3 million , or 1.6% , in 2017 . This increase was primarily due to an increase in stock-based compensation expense of $1.7 million and other miscellaneous general and administrative expenses of $0.6 million, partially offset by a reduction in employee-related incentive compensation costs of $2.0 million.

Gain on Disposal of Assets. Gain on disposal of assets decreased by $6.6 million in 2017 . This reduction is primarily due to the sale of ten hotels in 2016 for a net gain of $49.8 million compared to the sale of 12 hotels in 2017 for a net gain of $29.3 million coupled with the recognition of $15.0 million in deferred gains related to the HIT Sale.

Income Tax Expense/Benefit. In 2017, we recorded an income tax expense of $1.7 million , which includes $0.6 million associated with the remeasurement of our deferred tax assets as a result of the passage of TCJA in December 2017, which reduced the maximum corporate federal income tax rate to 21% beginning on January 1, 2018.

Our total income tax benefit in 2016 was $1.5 million based on the performance of our TRS lessees and a deferred tax adjustment related to corporate general and administrative expenses allocated to our TRS lessees.

Comparison of 2016 to 2015

The following table contains key operating metrics for our total portfolio and our same-store portfolio for 2016 compared with 2015 (dollars in thousands, except ADR and RevPAR). We define same-store hotels as properties that we owned or leased as of December 31, 2016 and that we have owned or leased at all times since January 1, 2015.

	2016		2015		Year-over-Year Dollar Change		Year-over-Year Percentage/Basis Point Change	
	Total Portfolio (81 hotels)	Same-Store Portfolio (70 hotels)	Total Portfolio (87 hotels)	Same-Store Portfolio (70 hotels)	Total Portfolio (81/87 hotels)	Same-Store Portfolio (70 hotels)	Total Portfolio (81/87 hotels)	Same-Store Portfolio (70 hotels)
Total revenues	$ 473,935	$ 384,815	$ 463,455	$ 372,370	$ 10,480	$ 12,445	2.3 %	3.3%
Hotel operating expenses	$ 295,681	$ 242,891	$ 295,828	$ 238,639	$ (147)	$ 4,252	— %	1.8%
Occupancy	77.9%	77.7%	77.2%	77.1%	n/a	n/a	70 bps	60 bps
ADR	$ 141.77	$ 138.75	$ 132.32	$ 135.27	$ 9.45	$ 3.48	7.1 %	2.6%
RevPAR	$ 110.41	$ 107.83	$ 102.20	$ 104.35	$ 8.21	$ 3.48	8.0 %	3.3%

The total portfolio information above includes revenues and expenses from the four hotels we acquired in 2016 (the “2016 Acquired Hotels”) and the seven hotel properties we acquired in 2015 (the “2015 Acquired Hotels”) from the date of acquisition through December 31, 2016, and operating information (occupancy, ADR, and RevPAR) for the period each hotel was owned. Accordingly, the information does not reflect a full twelve months of operations in 2016 for the 2016 Acquired

Hotels or a full twelve months of operations in 2015 for the 2015 Acquired Hotels. The combined 2016 Acquired Hotels and 2015 Acquired Hotels are referred to as the "2016/2015 Acquired Hotels."

Revenues . Total revenues increased by $10.5 million, or 2.3%, in 2016. The growth was due to a $12.4 million increase in same-store revenues and a $57.9 million increase in revenues at the 2016/2015 Acquired Hotels partially offset by a $59.8 million decrease in revenue related to the hotel properties sold during the period.

The same-store revenue increase of 3.3% in 2016 was due to a 60-basis point increase in same-store occupancy in 2016 compared with 2015, and a 2.6% increase in same-store ADR in 2016 compared with 2015. The increases in same-store occupancy and same-store ADR resulted in a 3.3% increase in same-store RevPAR from 2015 to 2016. These increases were due to general economic conditions, our strong revenue and asset management programs, hotel industry fundamentals and strategic and brand-required renovations made at our same-store hotel properties.

The following table summarizes our hotel operating expenses for our same-store (70 hotels) portfolio for 2016 and 2015 (dollars in thousands):

			Percentage	Percentage of Revenue	
	2016	2015	Change	2016	2015
Rooms expense	$ 91,162	$ 88,139	3.4 %	23.7%	23.7%
Other direct expense	52,962	51,595	2.6 %	13.8%	13.9%
Other indirect expense	98,767	98,905	(0.1)%	25.7%	26.6%
Total hotel operating expenses	$ 242,891	$ 238,639	1.8 %	63.1%	64.1%

Hotel Operating Expenses . Hotel operating expenses for the total portfolio decreased by $0.1 million and the same-store portfolio increased by $4.3 million in 2016 compared to 2015.

The increase in same-store rooms expense in 2016 was consistent with the increase in revenues. Other direct expense and other indirect expense for the same-store portfolio remained generally consistent in 2016 compared to 2015.

Other Corporate Expenses

Depreciation and Amortization. Depreciation and amortization expense increased $8.4 million, or 13.0%, in 2016, primarily due to incremental depreciation associated with the 2016/2015 Acquired Hotels partially offset by the decrease in depreciation and amortization related to the disposed properties, and properties moved to Assets Held for Sale resulting in depreciation expense no longer being recorded related to these assets in 2016.

Corporate General and Administrative. Corporate general and administrative expenses decreased by $1.9 million, or 9.0%, in 2016. This decrease was primarily due to non-recurring severance costs of $3.1 million in 2015. This decrease was partially offset by a $1.0 million increase in employee-related costs.

Loss on Impairment of Assets. At December 31, 2016, we were under contract to sell the Courtyard by Marriott in El Paso, TX for $11.0 million. We recorded a loss on impairment of assets of $0.6 million during the year ended December 31, 2016 to reduce the carrying value of the hotel to the estimated net selling price. We completed the sale of this hotel in June 2017.

In 2015, we determined that the value of land parcels in San Antonio, TX, Fort Myers, FL and Flagstaff, AZ were impaired based on market conditions. As such, we recognized a loss on impairment of assets of $1.1 million for the year ended December 31, 2015.

Gain on Disposal of Assets. Gain on disposal of assets decreased by $15.2 million in 2016. This reduction is primarily due to the sale of ten hotels in 2015 for a net gain of $66.6 million and the sale of ten hotels in 2016 for a net gain of $49.8 million.

Other Income/Expense. Other income decreased by $8.6 million, or 77.0%, in 2016, primarily due to the earnest money deposit of $9.1 million that we received in the fourth quarter of 2015 as a result of HIT terminating the agreement to purchase ten hotel properties that was scheduled to close on December 29, 2015.

Income Tax Expense/Benefit . Our total income tax benefit in 2016 was $1.5 million based on the performance of our TRS lessees and a deferred tax adjustment related to corporate general and administrative expenses allocated to our TRS lessees.

In 2015, income tax expense was $0.6 million due in part to the valuation allowance recorded against our deferred tax assets. At December 31, 2015, we reduced our valuation allowance to zero as we had sufficient positive evidence to conclude that a valuation allowance was no longer needed on our net deferred tax assets. The release of the valuation allowance resulted in a non-cash tax benefit of $0.1 million.

Non-GAAP Financial Measures

We consider funds from operations ("FFO") and EBITDA, both of which are financial measures not prescribed by GAAP ("non-GAAP"), to be useful to investors as key supplemental measures of our operating performance. We caution investors that amounts presented in accordance with our definitions of FFO and EBITDA may not be comparable to similar measures disclosed by other companies, since not all companies calculate these non-GAAP financial measures in the same manner. FFO and EBITDA should be considered along with, but not as alternatives to, net income (loss) as a measure of our operating performance. FFO and EBITDA may include funds that may not be available for our discretionary use due to functional requirements to conserve funds for capital expenditures, property acquisitions, debt service obligations and other commitments and uncertainties. Although we believe that FFO and EBITDA can enhance the understanding of our financial condition and results of operations, these non-GAAP financial measures are not necessarily better indicators of any trend as compared to a comparable GAAP measure such as net income (loss).

Funds From Operations

As defined by Nareit, FFO represents net income or loss (computed in accordance with GAAP), excluding preferred dividends, gains (or losses) from sales of real property, impairment losses on real estate assets, items classified by GAAP as extraordinary, the cumulative effect of changes in accounting principles, plus depreciation and amortization related to real estate assets, and adjustments for unconsolidated partnerships and joint ventures. Unless otherwise indicated, we present FFO applicable to our common shares and Common Units. We present FFO because we consider it an important supplemental measure of our operational performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is intended to exclude GAAP historical cost depreciation and amortization, which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization related to real estate assets, gains and losses from real property dispositions and impairment losses on real estate assets, it provides a performance measure that, when compared year over year, reflects the effect to operations from trends in occupancy, guestroom rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from net income. Our computation of FFO differs slightly from the computation of Nareit-defined FFO related to the reporting of corporate depreciation and amortization expense. Our computation of FFO may also differ from the methodology for calculating FFO used by other equity REITs and, accordingly, may not be comparable to such other REITs. FFO should not be considered as an alternative to net income (loss) (computed in accordance with GAAP) as an indicator of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends or make distributions. Where indicated in this Annual Report on Form 10-K, FFO is based on our computation of FFO and not the computation of Nareit-defined FFO unless otherwise noted.

The following is a reconciliation of our GAAP net income to FFO for the years ended December 31, 2017 , 2016 and 2015 (in thousands, except per share/unit amounts):

	2017	2016	2015
Net income	$ 99,521	$ 108,261	$ 125,256
Preferred dividends	(17,408)	(18,232)	(16,588)
Premium on redemption of preferred stock	(2,572)	(2,125)	—
Net income applicable to common shares and common units	79,541	87,904	108,668
Real estate-related depreciation	85,524	72,063	63,675
Loss on impairment of assets	—	577	1,115
Gain on disposal of assets	(43,209)	(49,855)	(65,067)
FFO applicable to common shares and common units	$ 121,856	$ 110,689	$ 108,391
FFO per common share/common unit	$ 1.21	$ 1.26	$ 1.24
Weighted average diluted common shares/common units [1]	100,372	87,798	87,144

(1) Includes Common Units in the Operating Partnership held by limited partners (other than us and our subsidiaries) because the Common Units are redeemable for cash or, at our election, shares of our common stock.

During the year ended December 31, 2017 , FFO applicable to common shares and common units increased by $11.2 million , or 10.1% , over the prior year due primarily to an increase in operating income resulting from an increase in acquired hotels, net of sold hotels.

During the year ended December 31, 2016, FFO applicable to common shares and common units increased by $2.3 million, or 2.1%, over the prior year primarily due to a net increase in hotel operations of $10.6 million. The increase was partially offset by a decline in other income of $8.6 million primarily due to the $9.1 million earnest money deposit that was forfeited by HIT in the fourth quarter of 2015.

Earnings Before Interest, Taxes, Depreciation and Amortization

EBITDA represents net income or loss, excluding: (i) interest, (ii) income tax expense and (iii) depreciation and amortization. We believe EBITDA is useful to an investor in evaluating our operating performance because it provides investors with an indication of our ability to incur and service debt, to satisfy general operating expenses, to make capital expenditures and to fund other cash needs or reinvest cash into our business. We also believe it helps investors meaningfully evaluate and compare the results of our operations from period to period by removing the effect of our asset base (primarily depreciation and amortization) from our operating results. Our management team also uses EBITDA as one measure in determining the value of acquisitions and dispositions.

The following is a reconciliation of our GAAP net income to EBITDA for the years ended December 31, 2017 , 2016 and 2015 (in thousands):

	2017	2016	2015
Net income	$ 99,521	$ 108,261	$ 125,256
Depreciation and amortization	85,927	72,406	64,052
Interest expense	29,687	28,091	30,414
Interest income	(104)	(22)	(998)
Income tax expense (benefit)	1,674	(1,450)	553
EBITDA	$ 216,705	$ 207,286	$ 219,277

During the year ended December 31, 2017 , EBITDA increased by $9.4 million , or 4.5% , from the prior year primarily due to an increase in operating income resulting from an increase in acquired hotels, net of sold hotels, and a reduction in hotel acquisition costs of $3.1 million, partially offset by a decrease in gain on disposal of assets of $6.6 million during the year ended December 31, 2017 in comparison with the prior year.

During the year ended December 31, 2016, EBITDA decreased by $12.0 million, or 5.5%, from the prior year primarily due to a decrease in gain on disposal of assets of $15.2 million and other income of $8.6 million, partially offset by an increase in total revenues of $10.5 million during the year ended December 31, 2016 in comparison with the prior year. The increase in revenues was the result of increases in occupancy and ADR as discussed above under “Results of Operations — Comparison of 2016 to 2015 — Revenues.” The decline in other income was primarily due to the $9.1 million earnest money

deposit that was forfeited by HIT in the fourth quarter of 2015 as a result of terminating the agreement to purchase ten hotel properties that was scheduled to close on December 29, 2015.

Liquidity and Capital Resources

Our short-term liquidity requirements consist primarily of operating expenses and other expenditures directly associated with our hotel properties, recurring maintenance and capital expenditures necessary to maintain our hotel properties in accordance with internal and brand standards, capital expenditures to improve our hotel properties, hotel development costs, acquisitions, interest payments, settlement of interest rate swaps, scheduled principal payments on outstanding indebtedness, restricted cash funding obligations and distributions to our stockholders. Our long-term liquidity requirements consist primarily of the costs of acquiring additional hotel properties, renovations and other non-recurring capital expenditures that periodically are made with respect to our hotel properties, dividend distributions, and scheduled debt payments, including maturing loans.

To satisfy the requirements for qualification as a REIT, we must meet a number of organizational and operational requirements, including a requirement that we distribute annually at least 90% of our REIT taxable income to our stockholders, determined without regard to the deduction for dividends paid and excluding any net capital gains. We intend to distribute a sufficient amount of our taxable income to maintain our status as a REIT and to avoid tax on undistributed income. Because we anticipate distributing a substantial amount of our available cash from operations, if sufficient funds are not available to us from hotel dispositions, our senior unsecured revolving credit and term loan facilities and additional mortgage and other loans, we will need to raise capital to grow our business and invest in additional hotel properties.

We expect to satisfy our liquidity requirements with cash provided by operations, working capital, short-term borrowings under our $450 million senior unsecured credit and term loan facility, term debt, repayment of notes receivable, the strategic sale of hotels and the release of restricted cash upon satisfaction of the usage requirements. In addition, we may fund the purchase price of hotel acquisitions, hotel development costs, and cost of required capital improvements by borrowing under our senior unsecured credit and term loan facility, assuming mortgage debt from the seller on acquired hotels, issuing securities (including common units issued by our Operating Partnership), or incurring mortgage or other types of debt. Further, we may seek to meet our liquidity requirements by raising capital through public or private offerings of our equity or debt securities. However, certain factors may have an adverse effect on our ability to access these capital sources, including our degree of leverage, the value of our unencumbered hotel properties, borrowing restrictions imposed by lenders, volatility in the equity and debt capital markets and other market conditions. We will continue to analyze which sources of capital are most advantageous to us at any particular point in time, but financing may not be consistently available to us on terms that are attractive, or at all. We believe that our cash provided by operations, working capital, borrowings available under our $450 million senior unsecured credit and term loan facility, our MetaBank Loan (defined below), and our 2017 Term Loan (defined below) and other sources of funds available to us will be sufficient to meet our ongoing liquidity requirements for at least the next 12 months.

On May 15, 2017, we completed a public offering of 10,350,000 common shares for net proceeds of $163.8 million, after the underwriting discount and offering-related expenses of $7.0 million. The net proceeds from the offering were used to repay borrowings under our senior unsecured revolving credit facility, to acquire additional hotel properties and for general corporate purposes. See "Note 6 - Equity" to the Consolidated Financial Statements for additional information.

On May 25, 2017, we entered into the 2017 ATM (as defined in Item 7. — “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Equity Transactions") pursuant to which we may sell our common stock having an aggregate offering price of up to $200.0 million. At the same time, we terminated each of the sales agreements entered into in connection with its prior at-the-market offering program, which was established in August 2016 and under which 6,151,514 shares of our common stock were sold for net proceeds of approximately $89.1 million. To date, we have not sold any shares of our common stock under the 2017 ATM.

On June 30, 2017, we entered into a $47.6 million secured, non-recourse loan with MetaBank (the "MetaBank Loan"). See "Note 5 - Debt" to the Consolidated Financial Statements for additional information.

On August 1, 2017, a loan receivable of $10.1 million, recorded as Investment in Real Estate Loans, net at December 31, 2016, was repaid in full by the borrower.

On September 26, 2017, we entered into a $225.0 million unsecured term loan with KeyBank National Association as administrative agent (the "2017 Term Loan") which includes an accordion feature which allows us to increase the total commitments by an aggregate of $175.0 million prior to the maturity date, subject to certain conditions. See "Note 5 - Debt" to the Consolidated Financial Statements for additional information.

On November 13, 2017, we completed the offering of 6,400,000 shares of our 6.25% Series E cumulative redeemable preferred stock for net proceeds of $154.7 million, after the underwriting discount and offering-related expenses of $5.3 million.

At December 31, 2017 , our scheduled debt principal amortization payments during the next 12 months will total approximately $8.2 million. Although we believe we will have the capacity to satisfy these debt maturities and pay these scheduled principal debt payments or that we will be able to fund them using draws under our $450 million senior unsecured credit and term loan facility, there can be no assurances that our credit facility will be available to repay such amortizing debt as draws under our credit facility are subject to certain financial covenants. At December 31, 2017 , we were in compliance with all of our covenants under the $450 million senior unsecured credit and term loan facility.

We anticipate making renovations and other non-recurring capital expenditures with respect to our hotel properties pursuant to property improvement plans required by our franchisors and our internal quality standards. During 2018, we expect capital expenditures at hotel properties we own to be in the range of $45.0 million to $65.0 million. Actual amounts may differ from our expectations. We may also make renovations and incur other non-recurring capital expenditures in 2018 at hotel properties that we acquire in the future. We are developing a hotel in Orlando, FL on a parcel of land that we own. We expect the total development costs for the construction of the hotel to be approximately $30.0 million. We have incurred $21.0 million of costs to date and we have reclassified the carrying amount of the land parcel of $2.8 million from Land Held for Development to Investment in Hotel Properties Under Development during the year ended December 31, 2017 in connection with our development activities. We anticipate that construction of this hotel will be complete by mid-year 2018 and the hotel will be open for business shortly thereafter.

Cash Flow Analysis

The following table summarizes changes in cash flows for the years ended December 31, 2017 and December 31, 2016:

	For the Years Ended December 31,		
	2017	2016	Change
	(in thousands)		
Net cash provided by operating activities	$ 146,923	$ 137,935	$ 8,988
Net cash used in investing activities	(515,520)	(154,443)	(361,077)
Net cash provided by financing activities	370,448	21,876	348,572
Net change in cash and cash equivalents	$ 1,851	$ 5,368	$ (3,517)

The increase in net cash provided by operating activities of $9.0 million from 2016 to 2017 primarily resulted from an increase in net income of $15.5 million , after adjusting for non-cash items, such as depreciation and amortization and gains on the sale of assets, and partially offset by net changes in working capital of $6.5 million primarily due to the timing of working capital changes.

The $361.1 million increase in net cash used in investing activities in 2017 compared with 2016 is primarily due to an increase in cash used for asset acquisitions of $344.1 million , a reduction in proceeds from asset dispositions of $24.6 million , an increase in investments in hotel properties under development of $21.0 million , and a change in escrow deposits for acquisitions of hotel properties of $10.0 million . These outflows were partially offset by net repayments of real estate loans receivable of $34.3 million and a reduction in capital expenditures of $5.2 million .

The $348.6 million increase in net cash from financing activities in 2017 compared with 2016 is primarily due to the increase in net proceeds from stock offerings of $157.0 million and an increase in net borrowings of $235.1 million , partially offset by an increase in cash paid for the redemption of preferred stock of $25.0 million and an increase in dividends of $18.9 million .

The following table summarizes changes in cash flows for the years ended December 31, 2016 and December 31, 2015:

	For the Years Ended December 31,		
	2016	2015	Change
	(in thousands)		
Net cash provided by operating activities	$ 137,935	$ 132,216	$ 5,719
Net cash used in investing activities	(154,443)	(131,112)	(23,331)
Net cash provided by (used in) financing activities	21,876	(10,359)	32,235
Net change in cash and cash equivalents	$ 5,368	$ (9,255)	$ 14,623

The increase in net cash provided by operating activities of $5.7 million from 2015 to 2016 primarily resulted from an increase in net income of $2.4 million, after adjusting for non-cash items, and favorable net changes in working capital of $3.4 million.

The $23.3 million increase in net cash used in investing activities in 2016 compared with 2015 is primarily due to an increase in cash used for asset acquisitions of $8.2 million, an increase in funding of real estate loans, net of repayments, of $17.1 million, a change in restricted cash reserves of $14.3 million , and a reduction in proceeds from asset dispositions of $4.7 million . These outflows were partially offset by a change in escrow deposits for acquisitions of hotel properties of $20.1 million .

The $32.2 million increase in net cash from financing activities in 2016 compared with 2015 is primarily due to the net proceeds from stock offerings of $161.3 million partially offset by a decrease in net borrowings of $69.8 million, cash paid for the redemption of preferred stock of $50.0 million and an increase in dividends of $9.1 million.

Outstanding Indebtedness

At December 31, 2017 , we had $343.1 million in outstanding indebtedness secured by first priority mortgage liens on 33 hotel properties. We also had borrowed $165.0 million on our $450 million senior unsecured credit and term loan facility (the “2016 Unsecured Credit Facility”), $140.0 million on our 2015 Term Loan (as defined in "Note 5 - Debt" to the Consolidated Financial Statements), and $225.0 million on our 2017 Term Loan (defined below), each of which were supported at December 31, 2017 by a borrowing base of 50 unencumbered hotel properties. At December 31, 2017 , the maximum amount of borrowing permitted under the 2016 Unsecured Credit Facility was $450.0 million , of which we had borrowed $165.0 million and $285.0 million was available to borrow. Please see "Note 5 - Debt" to the Consolidated Financial Statements for additional information concerning the 2016 Unsecured Credit Facility, the 2015 Term Loan and the 2017 Term Loan.

At February 15, 2018 , we had borrowed $160.0 million on our $450 million 2016 Unsecured Credit Facility, which which was supported by 50 hotel properties included in the credit facility borrowing base.

On June 30, 2017, we entered into a $47.6 million secured, non-recourse loan with MetaBank (the "MetaBank Loan"). The MetaBank Loan includes a delayed draw feature, at no additional cost. At September 30, 2017, we had drawn $25.0 million on the MetaBank Loan. On December 28, 2017, we drew the remaining $22.6 million available under the MetaBank Loan and used the proceeds to pay down the principal balance of our revolving credit facility. See "Note 5 - Debt" to the Consolidated Financial Statements for additional information concerning the MetaBank Loan.

On September 26, 2017, we entered into a $225.0 million unsecured term loan (the "2017 Term Loan") which includes an accordion feature which allows us to increase the total commitments by an aggregate of $175.0 million prior to the maturity date, subject to certain conditions. The 2017 Term Loan matures on November 25, 2022. On September 26, 2017, we drew $125.0 million of the $225.0 million available under the 2017 Term Loan and used the proceeds to pay down the principal balance of our revolving credit facility. On December 11, 2017, we drew the remaining $100.0 million of the $225.0 million available under the 2017 Term Loan and used the proceeds to pay down the principal balance of our senior unsecured credit and term loan facility. See "Note 5 - Debt" to the Consolidated Financial Statements for additional information.

On October 2, 2017, we entered into two separate $100 million interest rate swap agreements, with an effective date of January 29, 2018, to fix the interest rate on a portion of our variable interest rate unsecured indebtedness. The swaps convert LIBOR from a floating rate to an average fixed rate of 1.98% through January 31, 2023.

We intend to secure or assume term loan financing or use our senior unsecured credit and term loan facility, together with other sources of financing, to fund future acquisitions and capital improvements. We may not succeed in obtaining new financing on favorable terms, or at all, and we cannot predict the size or terms of future financings. Our failure to obtain new financing could adversely affect our ability to grow our business.

We intend to maintain a prudent capital structure and, while the ratio will vary from time to time, we generally intend to limit our ratio of indebtedness to EBITDA to no more than 6.5x. For purposes of calculating this ratio, we exclude preferred stock from indebtedness.

We have obtained financing through debt instruments having staggered maturities and intend to continue to do so in the future. Our debt includes, and may include in the future, debt secured by first priority mortgage liens on certain hotel properties and unsecured debt. We believe we will have adequate liquidity to meet requirements for scheduled maturities and principal repayments. However, we can provide no assurance that we will be able to refinance our indebtedness as it becomes due and, if refinanced, whether such refinancing will be available on favorable terms.

A summary of our debt at December 31, 2017 is as follows (dollars in thousands):

Lender	Interest Rate	Amortization Period (Years)	Maturity Date	Number of Encumbered Properties	Principal Amount Outstanding
$450 Million Senior Unsecured Credit and Term Loan Facility					
Deutsche Bank AG New York Branch					
$300 Million Revolver	3.21% Variable	n/a	March 31, 2020	n/a	$ 15,000
$150 Million Term Loan	3.40% Variable (1)	n/a	March 31, 2021	n/a	150,000
Total Senior Unsecured Credit and Term Loan Facility					165,000
Unsecured Term Loan					
KeyBank National Association, as Administrative Agent					
Term Loan	3.51% Variable	n/a	April 7, 2022	n/a	140,000
KeyBank National Association					
Term Loan	3.11% Variable	n/a	November 25, 2022	n/a	225,000
Secured Mortgage Indebtedness					
Voya	5.18% Fixed	20	March 1, 2019	2 (2)	40,015
	5.18% Fixed	20	March 1, 2019	4 (2)	35,865
	5.18% Fixed	20	March 1, 2019	2 (2)	23,130
	5.18% Fixed	20	March 1, 2019	1 (2)	16,431
KeyBank National Association	4.46% Fixed	30	February 1. 2023	4	26,928
	4.52% Fixed	30	April 1, 2023	3	20,877
	4.30% Fixed	30	April 1, 2023	3	20,211
	4.95% Fixed	30	August 1, 2023	2	36,093
Western Alliance Bank	5.39% Fixed	25	April 1, 2020	1	8,701
	5.39% Fixed	25	April 1, 2020	1	4,685
MetaBank	4.44% Fixed	25	July 1, 2027	3	47,640
Bank of Cascades	3.56% Variable	25	December 19, 2024	1 (3)	9,023
	4.30% Fixed	25	December 19, 2024	— (3)	9,023
Compass Bank	3.96% Variable	25	May 6, 2020	3	22,773
Western Alliance Bank	5.39% Fixed	25	April 1, 2020	1	5,769
	5.39% Fixed	25	April 1, 2020	1	4,926
U.S. Bank, NA	6.13% Fixed	25	November 11, 2021	1	11,019
Total Mortgage Loans					343,109
Total Debt				33	$ 873,109

(1) Our interest rate swap fixed a portion of the interest rate on this loan. See "Note 6 - Derivative Financial Instruments and Hedging" to the Consolidated Financial Statements.
(2) The nine hotel properties encumbered by the Voya mortgage loans are cross-collateralized, and the four Voya mortgage loans are cross-defaulted.
(3) The Bank of Cascades mortgage loans are secured by the same collateral and cross-defaulted.

Equity Transactions

On May 9, 2017, the Company and the Operating Partnership entered into an underwriting agreement (the "Underwriting Agreement") with Raymond James & Associates, Inc. and Deutsche Bank Securities Inc., as the representatives of the several underwriters named therein, relating to the issuance and sale of 9,000,000 shares of our common stock at a public offering price of $16.50 per share, less an underwriting discount of $0.66 per share. Pursuant to the terms of the Underwriting Agreement, we granted the underwriters a 30-day option to purchase up to an additional 1,350,000 shares of common stock on the same terms, which the underwriters exercised in full on May 10, 2017. The closing of the offering occurred on May 15, 2017 for net proceeds of $163.8 million, after the underwriting discount and offering-related expenses of $7.0 million. The net proceeds from the offering were used for repayment of borrowings under our senior unsecured revolving credit facility, acquisitions of additional hotel properties and general corporate purposes.

On May 25, 2017, the Company and the Operating Partnership entered into separate sales agreements (collectively, the "Sales Agreements") with each of Robert W. Baird & Co. Incorporated, Raymond James & Associates, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities Inc., RBC Capital Markets, LLC, KeyBanc Capital Markets Inc., Canaccord Genuity Inc., Jefferies LLC, BB&T Capital Markets, a division of BB&T Securities, LLC, and BTIG, LLC (collectively, the "Sales Agents"), pursuant to which we may sell our common stock having an aggregate offering price of up to $200.0 million (the "Shares"), from time to time through the Sales Agents, each acting as a sales agent or principal (the "2017 ATM"). At the same time, we terminated each of the sales agreements entered into in connection with its prior at-the-market offering program, which was established in August 2016 and under which 6,151,514 shares of our common stock were sold for net proceeds of approximately $89.1 million. To date, we have not sold any shares of our common stock under the 2017 ATM. During 2017, we incurred costs totaling $0.2 million related to the 2017 ATM.

Pursuant to the Sales Agreements, the Shares may be offered and sold through any Sales Agent in transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on the New York Stock Exchange or sales made to or through a market maker other than on an exchange or, with our prior consent, in privately negotiated transactions. Each Sales Agent will be entitled to compensation of 2.0% of the gross proceeds of the Shares sold through such Sales Agent from time to time under the related Sales Agreement. We have no obligation to sell any of the Shares under the Sales Agreements and may at any time suspend solicitations and offers under, or terminate, any of the Sales Agreements.

On November 13, 2017, we completed the offering of 6,400,000 shares of our 6.25% Series E cumulative redeemable preferred stock for net proceeds of $154.7 million, after the underwriting discount and offering-related expenses of $5.3 million. The proceeds were used to repay the outstanding balance on our revolving line of credit to facilitate the redemption of the Series B Preferred Stock which occurred in December 2017 and the recently announced redemption of the Series C Preferred Stock which will occur in March 2018.

On December 11, 2017, we paid $75.2 million to redeem all 3,000,000 of our outstanding 7.875% Series B cumulative redeemable preferred shares at a redemption price of $25 per share plus accrued and unpaid dividends.

Capital Expenditures

During the year ended December 31, 2017 , we funded $37.2 million in capital expenditures. We anticipate spending an estimated $45.0 million to $65.0 million on capital expenditures in 2018 . We expect to fund these expenditures through a combination of cash provided by operations, working capital, borrowings under our $450 million senior unsecured credit and term loan facility, or other potential sources of capital, to the extent available to us.

Contractual Obligations

The following table outlines the timing of required payments related to our long-term debt and other contractual obligations at December 31, 2017 (dollars in thousands):

	Payments Due By Period				
	Total	Less than One Year	One to Three Years	Three to Five Years	More than Five Years
Debt obligations [1]	$ 873,109	$ 8,154	$ 190,846	$ 547,485	$ 126,624
Currently projected interest [2]	154,481	37,341	67,300	39,689	10,151
Operating lease obligations [3]	115,871	2,023	4,193	4,235	105,420
Purchase obligations [4]	5,444	5,444	—	—	—
Total	$ 1,148,905	$ 52,962	$ 262,339	$ 591,409	$ 242,195

(1) Amounts shown include amortization of principal and debt maturities.
(2) Interest payments on our variable rate debt have been estimated using the interest rates in effect at December 31, 2017 , after giving effect to our interest rate swap.
(3) Amounts consist primarily of non-cancelable ground lease and corporate office lease obligations.
(4) This amount represents purchase orders and executed contracts for renovation projects at our hotel properties.

Inflation

Operators of hotel properties, in general, possess the ability to adjust guestroom rates daily to reflect the effects of inflation on our operating expenses. However, competitive pressures may limit the ability of our management companies to raise guestroom rates and thus, we may not be able to offset increased expenses with an increase in revenues.

Critical Accounting Policies

See "Note 2 - Basis of Presentation and Significant Accounting Policies" to the Consolidated Financial Statements.

New Accounting Standards

In January 2017, the FASB issued ASU No. 2017-01, *Clarifying the Definition of a Business* , with the objective of providing guidance to assist entities with evaluating whether transactions should be accounted for as an acquisition of assets or a business. ASU No. 2017-01 is effective for our fiscal year commencing on January 1, 2018. The effect of this guidance is to be applied prospectively and early adoption is permitted. We have early adopted ASU No. 2017-01 for our fiscal year commencing on January 1, 2017. Under ASU No. 2017-01, we have concluded that each of the acquisitions completed in 2017 are the acquisition of assets. As such, we have capitalized the acquisition costs related to these transactions. The adoption of ASU No. ASU 2017-01 did not have a material effect on our consolidated financial statements.

In May 2017, the FASB issued ASU No. 2017-09, *Scope of Modification Accounting* , to provide guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in accordance with ASC No. 718, *Compensation - Stock Compensation.* ASC No. 2017-09 is effective for our fiscal year commencing on January 1, 2018. The effect of this guidance is to be applied prospectively to an award modified on or after the adoption date and early adoption is permitted. Subsequent to year end, we applied the requirements of ASU No. 2017-09 to the modification of certain stock awards as described in "Note 16 - Subsequent Events."

In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* , with the objective of improving the financial reporting of hedging relationships to better portray the economic results of an entity’s risk management activities in its financial statements. During 2017, we elected to early adopt ASC No. 2017-12. The adoption of ASU No. 2017-12 did not have a material effect on our consolidated financial statements.

See "Note 2 - Basis of Presentation and Significant Accounting Policies" to the Consolidated Financial Statements.

Recent Developments

Equity Transactions

On January 1, 2018, the performance-based restricted stock awards granted on March 3, 2015 vested. Based on our percentile ranking within the SNL U.S. REIT Hotel Index for the measurement period, the executive officers earned twice the number of shares granted. The executive officers were also entitled to dividends as if the additional shares had been outstanding throughout the measurement period. As a result of this vesting, we issued a total of 309,010 shares to our executive officers and paid dividends totaling $0.5 million.

As previously reported on the Current Report on Form 8-K filed by the Company on November 13, 2017, Gregory A. Dowell, Executive Vice President and Chief Financial Officer of the Company, notified the Company of his intent to retire from the Company effective March 31, 2018 (the "Retirement Date"). On January 24, 2018, in connection with Mr. Dowell's planned retirement, the Company entered into a separation agreement and mutual general release agreement with Mr. Dowell (the "Initial Agreement"). On the Retirement Date, in connection with Mr. Dowell's planned retirement, the Company and Mr. Dowell will enter into a Supplemental Mutual General Release Agreement (the "Supplemental Agreement"). In addition, on the Retirement Date, in connection with Mr. Dowell's planned retirement, the Company and Mr. Dowell will enter into amendments to those two certain Stock Award Agreements (performance-based shares), dated March 8, 2016 and March 6, 2017, respectively, between the Company and Mr. Dowell (collectively the "Performance Awards"), to remove the requirement that Mr. Dowell remain employed by the Company to continue to be eligible to receive any shares that may vest.

The Initial Agreement, the Supplemental Agreement and the Amendments collectively provide or will provide, as the case may be, for the following: (i) accelerated vesting on the Retirement Date of all unvested service-based restricted shares of common stock previously awarded to Mr. Dowell pursuant to those two certain Stock Award Agreements (service-based shares), dated March 8, 2016 and March 6, 2017, between the Company and Mr. Dowell; (ii) the opportunity to earn unvested performance-based restricted shares of common stock in 2019 and 2020 based on the Company's total shareholder return in accordance with the previously reported Performance Awards; (iii) a release by each party of all claims against the other party; and (iv) customary confidentiality, non-disparagement, non-compete and non-solicitation covenants.

On February 5, 2018, our Board of Directors declared cash dividends of $0.18 per share of common stock, $0.4453125 per share of 7.125% Series C Cumulative Redeemable Preferred Stock, $0.403125 per share of 6.45% Series D Cumulative Redeemable Preferred Stock, and $0.390625 per share of 6.25% Series E Cumulative Redeemable Preferred Stock. These dividends are payable February 28, 2018 to stockholders of record on February 16, 2018.

On February 5, 2018, the Company announced that it will redeem all 3,400,000 of its outstanding 7.125% Series C Cumulative Redeemable Preferred Stock, $0.01 par value per share (the "Series C Preferred Stock"), at a redemption price for each share of Series C Preferred Stock of $25.00 plus accrued and unpaid dividends per share to, but not including, the redemption date of March 20, 2018.

Debt Transactions

On February 15, 2018, our Operating Partnership, as borrower, the Company, as parent guarantor, and each party executing term loan documentation as a subsidiary guarantor, entered into a new $225.0 million unsecured term loan (the "2018 Term Loan"). The 2018 Term Loan has an accordion feature that allows us to increase the total commitments by $150.0 million prior to the maturity date of February 14, 2025, subject to certain conditions, and a delayed draw feature that allows us to delay principal advances until May 16, 2018, at no additional cost. At closing, we drew $140.0 million of the $225.0 million available under the 2018 Term Loan and used the proceeds to replace the 2015 Term Loan.

We pay interest on advances at varying rates, based upon, at our option, either (i) 1, 2, 3, or 6-month LIBOR, plus a LIBOR margin between 1.80% and 2.55%, depending upon our leverage ratio (as defined in the loan documents), or (ii) the applicable base rate, which is the greatest of the administrative agent's prime rate, the federal funds rate plus 0.50%, and 1-month LIBOR plus 1.00%, plus a base rate margin between 0.80% and 1.55%, depending upon our leverage ratio. We are required to pay other fees, including customary arrangement and administrative fees. The 2018 Term Loan was entered into with KeyBank National Association, as administrative agent, Regions Bank, Raymond James Bank, N.A., PNC Bank, National Association, Capital One, and BB&T, as co-syndication agents, and KeyBanc Capital Markets Inc., Regions Capital Markets, Raymond James Bank, N.A., PNC Capital Markets, LLC, Capital One, National Association and Branch Banking and Trust Company as co-lead arrangers.

Financial and Other Covenants . In addition, we are required to comply with a series of financial and other covenants in order to draw and maintain borrowings under the 2018 Term Loan, which are consistent with the 2015 Term Loan.

Unencumbered Assets . The 2018 Term Loan is unsecured. However, borrowings under the term loan are limited by the value of the assets that qualify as unencumbered assets. As of February 15, 2018, the 50 unencumbered properties also supported the 2018 Term Loan.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

Market Risk

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that impact market-sensitive instruments. In pursuing our business strategies, the primary market risk to which we are exposed is interest rate risk. Our primary interest rate exposure is to 30-day LIBOR. We primarily use fixed interest rate financing to manage our exposure to fluctuations in interest rates. On a limited basis we also use derivative financial instruments to manage interest rate risk.

At December 31, 2017 , we were party to an interest rate derivative agreement, with a total notional amount of $75.0 million, where we receive variable-rate payments in exchange for making fixed-rate payments. This agreement is accounted for as a cash flow hedge and has a termination value of $0.2 million. The interest rate swap expires on October 1, 2018.

At December 31, 2017 , after giving effect to our interest rate derivative agreement, $386.3 million , or 44.2% , of our debt had fixed interest rates and $486.8 million , or 55.8% , had variable interest rates. At December 31, 2016 , after giving effect to our interest rate derivative agreements, $359.9 million, or 54.7%, of our debt had fixed interest rates and $297.7 million, or 45.3%, had variable interest rates. Taking into consideration our existing $75.0 million interest rate swap an increase in interest rates of 1.0% would decrease our cash flows by approximately $4.9 million per year.

On October 2, 2017, we entered into two separate $100 million interest rate swap agreements with an effective date of January 29, 2018, to partially fix the interest rate on a portion of our variable interest rate unsecured indebtedness. The swaps convert LIBOR from a floating rate to an average fixed rate of 1.98% through January 31, 2023. The interest rate swap agreements, when effective, will result in 67.2% of our debt having fixed interest rates and 32.8% having variable interest rates. Taking into consideration the effect of all of our interest rate swaps, an increase in interest rates of 1.0% would decrease our cash flows by approximately $2.9 million.

As our fixed-rate debts mature, they will become subject to interest rate risk. In addition, as our variable-rate debts mature, lenders may impose interest rate floors on new financing arrangements because of the low interest rates experienced during the past few years. At December 31, 2017 , we have scheduled payments of principal on debt in 2018 totaling approximately $8.2 million.

Item 8. Financial Statements and Supplementary Data.

The financial statements and supplementary data required by this item are included on pages F-1 through F-43 of this Annual Report on Form 10-K and are incorporated by reference herein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

Our management evaluated, with the participation of our Chief Executive Officer and our Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of December 31, 2017 . Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of December 31, 2017 , our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management to allow timely decisions regarding required disclosure.

Management's Report on the Effectiveness of Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive Officer and our Chief Financial Officer, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that our receipts and our expenditures are being made only in accordance with authorizations of our management and our board of directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of this Annual Report on Form 10-K, our management, under the supervision of our Chief Executive Officer and our Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2017 , based on criteria established in Internal Control—Integrated Framework (2013) established by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such evaluation, our management concluded that we had effective internal control over financial reporting as of December 31, 2017 .

Ernst & Young LLP, our independent registered public accounting firm, has issued an auditor's attestation report on our management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2017 . This report is included in Part II, Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no material changes in our internal control over financial reporting during the year ended December 31, 2017 .

Item 9B. Other Information.

On February 15, 2018, our Operating Partnership, as borrower, the Company, as parent guarantor, and each party executing term loan documentation as a subsidiary guarantor, entered into the 2018 Term Loan. The 2018 Term Loan has an accordion feature that allows us to increase the total commitments by $150.0 million prior to the maturity date of February 14, 2025, subject to certain conditions, and a delayed draw feature that allows us to delay principal advances until May 16, 2018, at no additional cost. At closing, we drew $140.0 million of the $225.0 million available under the 2018 Term Loan and used the proceeds to replace the 2015 Term Loan.

We pay interest on advances at varying rates, based upon, at our option, either (i) 1, 2, 3, or 6-month LIBOR, plus a LIBOR margin between 1.80% and 2.55%, depending upon our leverage ratio (as defined in the loan documents), or (ii) the applicable base rate, which is the greatest of the administrative agent's prime rate, the federal funds rate plus 0.50%, and 1-

month LIBOR plus 1.00%, plus a base rate margin between 0.80% and 1.55%, depending upon our leverage ratio. We are required to pay other fees, including customary arrangement and administrative fees. The 2018 Term Loan was entered into with KeyBank National Association, as administrative agent, Regions Bank, Raymond James Bank, N.A., PNC Bank, National Association, Capital One, and BB&T, as co-syndication agents, and KeyBanc Capital Markets Inc., Regions Capital Markets, Raymond James Bank, N.A., PNC Capital Markets, LLC, Capital One, National Association and Branch Banking and Trust Company as co-lead arrangers.

Financial and Other Covenants . In addition, we are required to comply with a series of financial and other covenants in order to draw and maintain borrowings under the 2018 Term Loan, which are consistent with the 2015 Term Loan.

Unencumbered Assets . The 2018 Term Loan is unsecured. However, borrowings under the term loan are limited by the value of the assets that qualify as unencumbered assets. As of February 15, 2018, the 50 unencumbered properties also supported the 2018 Term Loan.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this item is incorporated by reference to our Definitive Proxy Statement on Schedule 14A (the " 2018 Proxy Statement") for the 2018 Annual Meeting of Stockholders.

Item 11. Executive Compensation.

The information required by this item is incorporated by reference to our 2018 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item is incorporated by reference to our 2018 Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is incorporated by reference to our 2018 Proxy Statement.

Item 14. Principal Accountant Fees and Services.

The information required by this item is incorporated by reference to our 2018 Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

1. Financial Statements:

   Included herein at pages F-1 through F-39

2. Financial Statement Schedules:

   The following financial statement schedule is included herein at pages F-40 - F-43.

   Schedule III — Real Estate and Accumulated Depreciation

3. Exhibits:

   See the Exhibit Index that appears after the signature page to this Annual Report on Form 10-K, which is incorporated herein by reference.

All schedules for which provision is made in Regulation S-X are either not required to be included herein pursuant to the related instructions or are inapplicable or the related information is included in the footnotes to the applicable financial statement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

SUMMIT HOTEL PROPERTIES, INC. (registrant)

Date: February 21, 2018

By: /s/ Daniel P. Hansen
Daniel P. Hansen
Chairman of the Board of Directors
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Daniel P. Hansen Daniel P. Hansen	Chairman of the Board of Directors President and Chief Executive Officer (principal executive officer)	February 21, 2018
/s/ Greg A. Dowell Greg A. Dowell	Executive Vice President, Chief Financial Officer and Treasurer (principal financial officer)	February 21, 2018
/s/ Paul Ruiz Paul Ruiz	Senior Vice President and Chief Accounting Officer (principal accounting officer)	February 21, 2018
/s/ Bjorn R. L. Hanson Bjorn R. L. Hanson	Director	February 21, 2018
/s/ Jeffrey W. Jones Jeffrey W. Jones	Director	February 21, 2018
/s/ Kenneth J. Kay Kenneth J. Kay	Director	February 21, 2018
/s/ Thomas W. Storey Thomas W. Storey	Director	February 21, 2018
/s/ Hope S. Taitz Hope S. Taitz	Director	February 21, 2018

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
3.1	Articles of Amendment and Restatement of Summit Hotel Properties, Inc. (incorporated by reference to Exhibit 3.1 to Annual Report on Form 10-K filed by Summit Hotel Properties, Inc. on February 28, 2012).
3.2	Articles Supplementary designating the Company's 9.25% Series A Cumulative Redeemable Preferred Stock, $0.01 par value per share (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on October 28, 2011).
3.3	Articles Supplementary designating the Company's 7.875% Series B Cumulative Redeemable Preferred Stock, $0.01 par value per share (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on December 7, 2012).
3.4	Articles Supplementary designating the Company's 7.125% Series C Cumulative Redeemable Preferred Stock, $0.01 par value per share (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on March 19, 2013).
3.5	Articles Supplementary designating the Company's 6.45% Series D Cumulative Redeemable Preferred Stock, $0.01 par value per share (incorporated by reference to Exhibit 3.2 to Registration Statement on Form 8-A filed by Summit Hotel Properties, Inc. on June 24, 2016).
3.6	Articles of Amendment of Summit Hotel Properties, Inc. (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 19, 2017).
3.7	Articles Supplementary of Summit Hotel Properties, Inc. (incorporated by reference to Exhibit 3.2 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 19, 2017).
3.8	Articles Supplementary to the Articles of Amendment and Restatement of Summit Hotel Properties, Inc. designating the Company's 6.250% Series E Preferred Stock, $0.01 par value per share(incorporated by refrence to Exhibit 3.7 to Registration Statement on Form 8-A filled by Summit Hotel Properties, Inc. on November 8, 2017).
3.9	Amended and Restated Bylaws of Summit Hotel Properties, Inc. (incorporated by reference to Exhibit 3.3 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc on May 19, 2017).
3.10	Articles Supplementary to the Articles of Amendment and Restatement of Summit Hotel Properties, Inc. prohibiting election under Sections 3-803, 3-804(a), 3-804(b) and 3-805 of the MGCL without stockholder approval (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed with the SEC on May 26, 2016).
3.11	First Amended and Restated Agreement of Limited Partnership of Summit Hotel OP, LP, dated February 14, 2011, as amended (incorporated by reference to Exhibit 3.4 to the Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on May 6, 2013).
3.12	First Amendment to the First Amended and Restated Agreement of Limited Partnership of Summit Hotel OP, LP (incorporated by reference to Exhibit 3.2 of the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on October 28, 2011).
3.13	Second Amendment to the First Amended and Restated Agreement of Limited Partnership of Summit Hotel OP, LP (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on April 16, 2012).
3.14	Third Amendment to the First Amended and Restated Agreement of Limited Partnership of Summit Hotel OP, LP (incorporated by reference to Exhibit 3.2 of the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on December 7, 2012).
3.15	Fourth Amendment to the First Amended and Restated Agreement of Limited Partnership of Summit Hotel OP, LP (incorporated by reference to Exhibit 3.2 of the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on March 19, 2013).
3.16	Fifth Amendment to the First Amended and Restated Agreement of Limited Partnership of Summit Hotel OP, LP (incorporated by reference to Exhibit 3.2 of the Current Report on Form 8-K filed with the SEC on June 24, 2016).
3.17	Sixth Amendment to the First Amended and Restated Agreement of Limited Partnership of Summit Hotel OP, LP. (incorporated by reference to Exhibit 3.5 of the Company's Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on August 2, 2016).
3.18	Seventh Amendment to the First Amended and Restated Agreement of Limited Partnership of Summit Hotel OP, LP. (incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on November 8, 2017).
3.19†	Eighth Amendment to the First Amended and Restated Agreement of Limited Partnership of Summit Hotel OP, LP.

4.1	Specimen certificate of common stock of Summit Hotel Properties, Inc. (incorporated by reference to Exhibit 4.1 to Amendment No. 5 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on February 7, 2011).
10.1	$450,000,000 Credit Agreement, dated as of January 15, 2016, among Summit Hotel OP, LP, as Borrower, Summit Hotel Properties, Inc., as Parent Guarantor, the other guarantors named therein, as Subsidiary Guarantors, the Initial Lenders, Initial Issuing Banks and Swing Line Banks named therein, Deutsche Bank AG New York Branch, as Administrative Agent, Bank of America, N.A. and Regions Bank, as Co-Syndication Agents, with Deutsche Bank Securities Inc., Merrill Lynch, Pierce Fenner & Smith Incorporated and Regions Capital Markets, as Joint Lead Arrangers and as Joint Bookrunners (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 20, 2016).
10.2	First Amendment to Credit Agreement, dated as of September 26, 2017, among Summit Hotel OP, LP, Deutsche Bank AG New York Branch and the financial institutions party to the Credit Agreement (incorporated by reference to Exhibit 10.3 of the Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on October 30, 2017).
10.3	Accession Agreement, dated April 21, 2015, among Summit Hotel OP, LP, Summit Hotel Properties, Inc., the subsidiary guarantors party thereto, American Bank N.A., and KeyBank National Association (incorporated by reference to Exhibit 10.6 to Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on May 4, 2015).
10.4	First Amendment to Credit Agreement dated as of December 21, 2015, among Summit Hotel OP, LP, KeyBank National Association and the financial institutions party to the Credit Agreement (incorporated by reference to Exhibit 10.4 to Quarterly Report on Form 10-K filed by Summit Hotel Properties, Inc. on February 21, 2016).
10.5	First Amendment to Credit Agreement dated as of December 21, 2015, among Summit Hotel OP, LP, KeyBank National Association and the financial institutions party to the Credit Agreement (incorporated by reference to Exhibit 10.4 of the Quarterly Report on Form 10-K filed by Summit Hotel Properties, Inc. on February 24, 2016).
10.6	Second Amendment to Credit Agreement dated as of January 15, 2016, among Summit Hotel OP, LP, KeyBank National Association and the financial institutions party to the Credit Agreement (incorporated by reference to Exhibit 10.5 of the Quarterly Report on Form 10-K filed by Summit Hotel Properties, Inc. on February 24, 2016).
10.7	Add after the item currently listed as item 10.3 in the last draft of the 10k: Third Amendment to Credit Agreement dated as of September 26, 2017, among Summit Hotel OP, LP, KeyBank National Association, and the financial institutions party to the Credit Agreement (incorporated by reference to Exhibit 10.2 of the Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on October 30, 2017).
10.8	$225,000,000 Credit Agreement, dated as of September 26, 2017, among Summit Hotel OP, LP, as Borrower, Summit Hotel Properties, Inc., as Parent Guarantor, the other guarantors named therein, as administrative agent, Deutsche Bank AG New York Branch and Bank of America, N.A., as co-syndication agents, KeyBanc Capital Markets, Inc., Deutsche Bank Securities, Inc., and Merrill Lynch Pierce Fenner & Smith, as joint bookrunners and joint lead arrangers, and a syndicate of lenders including KeyBank National Association, Deutsche Bank AG New York Branch, Bank of America, N.A., Capital One, National Association, PNC Bank, National Association, Regions Bank, Raymond James Bank, N.A., Royal Bank of Canada, Branch Banking and Trust Company, and U.S. Bank National Association (incorporated by refrence to Exhibit 10.1 to the Current Report of the Form 8-K filed by Summit Hotel Properties, Inc on October 2, 2017).
10.9†	First Amended and Restated Credit Agreement, dates as of February 15, 2018, amoung Summit Hotel OP, LP, as Borrower, Summit Hotel Properties, Inc., as Parent Guarantor, the other guarantors named herein, as subsidiary guarantors, the intital lenders named herein, as intial lenders, Keybank National Association, as Administrative Agent, Regions Bank, Raymond James Bank, N.A., PNC Bank, National Association, Capital One, National Association, and Branch Banking and Trust Company, as co-syndication agents, and Keybanc Capital Markets, Inc., as sole bookrunner, Keybanc Capital Markets, Inc., Regions Capital Markets, Raymond James Bank, N.A., PNC Capital Markets LLC, Capital One, National Association, and Branch Banking and Trust Company as joint lead arrangers.
10.10	Amended and Restated Hotel Management Agreement, dated February 14, 2011, among Interstate Management Company, LLC and the subsidiaries of Summit Hotel Properties, Inc. party thereto (incorporated by reference to Exhibit 10.4 of the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 18, 2011).
10.11	First Amendment to Amended and Restated Hotel Management Agreement, dated June 30, 2011, among Interstate Management Company, LLC and the subsidiaries of the Company party thereto (incorporated by reference to Exhibit 10.2 of the Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on August 15, 2011).
10.12	Form of Lease Agreement between Summit Hotel OP, LP and TRS Lessee (incorporated by reference to Exhibit 10.4 to Amendment No. 2 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on November 1, 2010).

10.13*	Summit Hotel Properties, Inc. 2011 Equity Incentive Plan, as amended and restated effective June 15, 2015 (incorporated by reference to Appendix B to the Definitive Proxy Statement on Schedule 14A filed by Summit Hotel Properties, Inc. on April 28, 2015).
10.14*	Form of Option Award Agreement (incorporated by reference to Exhibit 10.6 to Amendment No. 1 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on September 23, 2010).
10.15*	Form of Incentive Award Agreement between Summit Hotel Properties, Inc. and its executive officers (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on May 15, 2012).
10.16*	Form of Stock Award Agreement (Performance Based Shares) between Summit Hotel Properties, Inc. and its executive officers (incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on May 15, 2012).
10.17*	Form of Stock Award Agreement (Service-Based Shares) between Summit Hotel Properties, Inc. and its executive officers (incorporated by reference to Exhibit 10.4 to Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on May 15, 2012).
10.18*	Form of Stock Award Agreement (Performance Based Shares) between Summit Hotel Properties, Inc. and its executive officers (incorporated by reference to Exhibit 10.5 to Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on May 4, 2015).
10.19*	Form of Stock Award Agreement (Service-Based Shares) between Summit Hotel Properties, Inc. and its executive officers (incorporated by reference to Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on May 3, 2016).
10.20*	Form of Stock Award Agreement (Performance Based Shares) between Summit Hotel Properties, Inc. and its executive officers (incorporated by reference to Exhibit 10.6 of the Company's Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on May 3, 2016).
10.21*	Form of Incentive Award Agreement between Summit Hotel Properties, Inc. and its executive officers (incorporated by reference to Exhibit 10.7 of the Company's Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on May 3, 2016).
10.22*	Employment Agreement, dated May 28, 2014, between Summit Hotel Properties, Inc. and Daniel P. Hansen (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on August 6, 2014).
10.23*	Employment Agreement, dated May 28, 2014, between Summit Hotel Properties, Inc. and Craig J. Aniszewski (incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on August 6, 2014).
10.24*	Employment Agreement, dated May 28, 2014, between Summit Hotel Properties, Inc. and Christopher R. Eng (incorporated by reference to Exhibit 10.4 to Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on August 6, 2014).
10.25*	Employment Agreement, dated September 11, 2014 and effective as of October 1, 2014, between Summit Hotel Properties, Inc. and Greg A. Dowell (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on September 11, 2014).
10.26*	Employment Agreement, dated March 3, 2015, between Summit Hotel Properties, Inc. and Paul Ruiz (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on May 4, 2015).
10.27*	Employment Agreement, dated April 17, 2017, between Summit Hotel Properties, Inc. and Jonathan P. Stanner (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on April 4, 2017).
10.28*	Separation Agreement and Mutual General Release, dated January 24, 2018, between Summit Hotel Properties, Inc. and Greg A. Dowell (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 26, 2018).
10.29*	First Amendment to Stock Award Agreement (Performance Shares), dated January 24, 2018, between Summit Hotel Properties, Inc. and Greg A. Dowell (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 26, 2018).
10.30*	First Amendment to Stock Award Agreement (Performance Shares), dated January 24, 2018, between Summit Hotel Properties, Inc. and Greg A. Dowell (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 26, 2018).
10.31*	Form of Indemnification Agreement between Summit Hotel Properties, Inc. and each of its Executive Officers and Directors (incorporated by reference to Exhibit 10.14 to Amendment No. 2 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on November 1, 2010).

10.32	Real Estate Purchase and Sale Agreement, dated as of June 2, 2015, by and among the Sellers listed on Schedule 1 attached thereto, Summit Hotel OP, LP and American Realty Capital Hospitality Portfolio SMT, LLC, relating to the sale of 16 hotels ("ARCH PSA #1") (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 filed by Summit Hotel Properties, Inc. on August 3, 2015).
10.33	Letter Agreement, dated July 15, 2015, amending ARCH PSA #1 (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 filed by Summit Hotel Properties, Inc. on August 3, 2015).
10.34	Real Estate Purchase and Sale Agreement, dated as of June 2, 2015, by and among the Sellers listed on Schedule 1 attached thereto, Summit Hotel OP, LP and American Realty Capital Hospitality Portfolio SMT, LLC, relating to the sale of 10 hotels ("ARCH PSA #2") (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 filed by Summit Hotel Properties, Inc. on August 3, 2015).
10.35	Letter Agreement, dated July 15, 2015, amending ARCH PSA #2 (incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 filed by Summit Hotel Properties, Inc. on August 3, 2015).
10.36	Letter Agreement, dated as of February 11, 2016, by and among Summit Hotel OP, LP, and certain affiliated entities, and American Realty Capital Hospitality Portfolio SMT, LLC, (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 16, 2016).
10.37	$27.5 million Loan Agreement dated February 11, 2016 between American Realty Capital Hospitality Trust, Inc. and Summit Hotel OP, LP (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 16, 2016).
10.38	Letter Agreement, dated as of January 10, 2017, by and among Summit Hotel OP, LP and certain affiliated entities, and American Realty Capital Hospitality Portfolio SMT ALT, LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 13, 2017).
10.39	Letter Agreement, dated as of January12, 2017, by and among Summit Hotel OP, LP and certain affiliated entities, and American Realty Capital Hospitality Portfolio SMT ALT, LLC (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 13, 2017).
10.40	First Amendment to Loan Agreement, dated as of January 12, 2017, between American Realty Capital Hospitality Trust, Inc. and Summit Hotel OP, LP (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 13, 2017).
10.41	$3.0 million Loan Agreement, dated as of January 12, 2017, between American Realty Capital Hospitality Trust, Inc. and Summit Hotel OP, LP (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 13, 2017).
10.42	Sales Agreement, dated as of May 25, 2017, by and among Summit Hotel Properties, Inc., Summit Hotel OP, LP and Robert W. Baird & Co. Incorporated (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 25, 2017).
10.43	Sales Agreement, dated as of May 25, 2017, by and among Summit Hotel Properties, Inc., Summit Hotel OP, LP and Robert W. Baird & Co. Incorporated (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 25, 2017).
10.44	Sales Agreement, dated as of May 25, 2017, by and among Summit Hotel Properties, Inc., Summit Hotel OP, LP and Raymond James & Associates, Inc. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 25, 2017).
10.45	Sales Agreement, dated as of May 25, 2017, by and among Summit Hotel Properties, Inc., Summit Hotel OP, LP and Merill Lynch (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 25, 2017).
10.46	Sales Agreement, dated as of May 25, 2017, by and among Summit Hotel Properties, Inc., Summit Hotel OP, LP and Pierce (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 25, 2017).
10.47	Sales Agreement, dated as of May 25, 2017, by and among Summit Hotel Properties, Inc., Summit Hotel OP, LP and Fenner & Smith Incorporated (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 25, 2017).
10.48	Sales Agreement, dated as of May 25, 2017, by and among Summit Hotel Properties, Inc., Summit Hotel OP, LP and Deutsche Bank Securities Inc. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 25, 2017).
10.49	Sales Agreement, dated as of May 25, 2017, by and among Summit Hotel Properties, Inc., Summit Hotel OP, LP and RBC Capital Markets LLC (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 25, 2017).

10.50	Sales Agreement, dated as of May 25, 2017, by and among Summit Hotel Properties, Inc., Summit Hotel OP, LP and KeyBanc Capital Markets Inc. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 25, 2017).
10.51	Sales Agreement, dated as of May 25, 2017, by and among Summit Hotel Properties, Inc., Summit Hotel OP, LP and Canaccord Genuity Inc. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 25, 2017).
10.52	Sales Agreement, dated as of May 25, 2017, by and among Summit Hotel Properties, Inc., Summit Hotel OP, LP and Jefferies LLC (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 25, 2017).
10.53	Sales Agreement, dated as of May 25, 2017, by and among Summit Hotel Properties, Inc., Summit Hotel OP, LP and BB&T Capital Markets, a division of BB&T Securities, LLC (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 25, 2017).
10.54	Sales Agreement, dated as of May 25, 2017, by and among Summit Hotel Properties, Inc., Summit Hotel OP, LP and BTIG, LLC (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 25, 2017).
12.1†	Calculation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends
21.1†	List of Subsidiaries of Summit Hotel Properties, Inc.
23.1†	Consent of Ernst & Young, LLP
31.1†	Certification of Chief Executive Officer of Summit Hotel Properties, Inc. pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2†	Certification of Chief Financial Officer of Summit Hotel Properties, Inc. pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1†	Certification of Chief Executive Officer of Summit Hotel Properties, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2†	Certification of Chief Financial Officer of Summit Hotel Properties, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS†	XBRL Instance Document
101.SCH†	XBRL Taxonomy Extension Schema Document
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE†	XBRL Taxonomy Presentation Linkbase Document

* Management contract or compensatory plan or arrangement.
† Filed herewithin

SUMMIT HOTEL PROPERTIES, INC.
INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of
Summit Hotel Properties, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Summit Hotel Properties, Inc. (the Company) as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2017, and the related notes and financial statement schedules listed in the Index at Item 15(a) (collectively referred to as the "financial statements"). In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2017 and 2016, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 21, 2017 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2013.

Austin, Texas

February 21, 2018

Report of Independent Registered Public Accounting Firm

The Shareholders and Board of Directors of Summit Hotel Properties, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Summit Hotel Properties, Inc.'s internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission 2013 framework (the COSO criteria). In our opinion, Summit Hotel Properties, Inc.'s (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2017 and the related notes and financial statement schedules listed in the Index at Item 15(a), and our report dated February 21, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on the Effectiveness of Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAPB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Austin, Texas

February 21, 2018

Summit Hotel Properties, Inc.
Consolidated Balance Sheets
(in thousands, except share amounts)

	December 31,	
	2017	**2016**
ASSETS		
Investment in hotel properties, net	$ 2,059,492	$ 1,545,122
Investment in hotel properties under development	23,793	—
Land held for development	2,942	5,742
Assets held for sale	1,193	62,695
Investment in real estate loans, net	12,356	17,585
Cash and cash equivalents	36,545	34,694
Restricted cash	29,462	24,881
Trade receivables, net	16,985	11,807
Prepaid expenses and other	9,454	6,474
Deferred charges, net	5,221	3,727
Other assets	12,431	5,778
Total assets	$ 2,209,874	$ 1,718,505
LIABILITIES AND EQUITY		
Liabilities:		
Debt, net of debt issuance costs	$ 868,236	$ 652,414
Accounts payable	7,774	4,623
Accrued expenses and other	56,488	47,998
Total liabilities	932,498	705,035
Commitments and contingencies (Note 9)		
Equity:		
Preferred stock, $0.01 par value per share, 100,000,000 shares authorized:		
7.875% Series B - 3,000,000 shares issued and outstanding at December 31, 2016 (aggregate liquidation preference of $75,509 at December 31, 2016)	—	30
7.125% Series C - 3,400,000 shares issued and outstanding at December 31, 2017 and 2016 (aggregate liquidation preference of $85,522 at December 31, 2017 and 2016)	34	34
6.45% Series D - 3,000,000 shares issued and outstanding at December 31, 2017 and 2016 (aggregate liquidation preference of $75,417 at December 31, 2017 and 2016)	30	30
6.25% Series E - 6,400,000 shares issued and outstanding at December 31, 2017 (aggregate liquidation preference of $160,861 at December 31, 2017)	64	—
Common stock, $0.01 par value per share, 500,000,000 shares authorized, 104,287,128 and 93,525,469 shares issued and outstanding at December 31, 2017 and 2016, respectively	1,043	935
Additional paid-in capital	1,262,679	1,011,412
Accumulated other comprehensive income (loss)	1,451	(977)
Retained earnings (distributions in excess of retained earnings)	9,201	(1,422)
Total stockholders' equity	1,274,502	1,010,042
Non-controlling interests in operating partnership	2,874	3,428
Total equity	1,277,376	1,013,470
Total liabilities and equity	$ 2,209,874	$ 1,718,505

See Notes to Consolidated Financial Statements

Summit Hotel Properties, Inc.
Consolidated Statements of Operations
(in thousands, except per share amounts)

	For the Years Ended December 31,		
	2017	**2016**	**2015**
Revenues:			
Room	$ 479,934	$ 443,270	$ 436,202
Other hotel operations revenue	35,443	30,665	27,253
Total revenues	515,377	473,935	463,455
Expenses:			
Hotel operating expenses:			
Room	123,129	110,221	109,844
Other direct	67,256	64,608	64,010
Other indirect	135,219	120,852	121,974
Total hotel operating expenses	325,604	295,681	295,828
Depreciation and amortization	85,927	72,406	64,052
Corporate general and administrative	19,597	19,292	21,204
Hotel property acquisition costs	354	3,492	1,246
Loss on impairment of assets	—	577	1,115
Total expenses	431,482	391,448	383,445
Operating income	83,895	82,487	80,010
Other income (expense):			
Interest expense	(29,687)	(28,091)	(30,414)
Gain on disposal of assets, net	43,209	49,855	65,067
Other income, net	3,778	2,560	11,146
Total other income, net	17,300	24,324	45,799
Income from continuing operations before income taxes	101,195	106,811	125,809
Income tax (expense) benefit	(1,674)	1,450	(553)
Net income	99,521	108,261	125,256
Less - income attributable to non-controlling interests:			
Operating partnership	(307)	(456)	(819)
Net income attributable to Summit Hotel Properties, Inc.	99,214	107,805	124,437
Preferred dividends	(17,408)	(18,232)	(16,588)
Premium on redemption of preferred stock	(2,572)	(2,125)	—
Net income attributable to common stockholders	$ 79,234	$ 87,448	$ 107,849
Earnings per share:			
Basic	$ 0.79	$ 1.00	$ 1.25
Diluted	$ 0.79	$ 1.00	$ 1.24
Weighted average common shares outstanding:			
Basic	99,406	86,874	85,920
Diluted	99,780	87,343	87,144
Dividends per share	$ 0.67	$ 0.55	$ 0.47

See Notes to Consolidated Financial Statements

Summit Hotel Properties, Inc.
Consolidated Statements of Comprehensive Income
(in thousands)

	For the Years Ended December 31,		
	2017	**2016**	**2015**
Net income	$ 99,521	$ 108,261	$ 125,256
Other comprehensive income, net of tax:			
Changes in fair value of derivative financial instruments	2,437	693	81
Comprehensive income	101,958	108,954	125,337
Less - Comprehensive income attributable to non-controlling interests:			
Operating partnership	(316)	(460)	(820)
Comprehensive income attributable to Summit Hotel Properties, Inc.	101,642	108,494	124,517
Preferred dividends	(17,408)	(18,232)	(16,588)
Premium on redemption of preferred stock	(2,572)	(2,125)	—
Comprehensive income attributable to common stockholders	$ 81,662	$ 88,137	$ 107,929

See Notes to Consolidated Financial Statements

Summit Hotel Properties, Inc.
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2017, 2016 and 2015
(in thousands, except share amounts)

	Shares of Preferred Stock	Preferred Stock	Shares of Common Stock	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Distributions in Excess of Retained Earnings)	Total Shareholders' Equity	Non-controlling Interests in Operating Partnership	Total Equity
Balance at December 31, 2014	8,400,000	$ 84	86,149,720	$ 861	$ 888,191	$ (1,746)	$ (107,779)	$ 779,611	$ 5,590	$ 785,201
Common stock redemption of common units	—	—	268,947	3	1,919	—	—	1,922	(1,922)	—
Dividends paid	—	—	—	—	—	—	(57,293)	(57,293)	(309)	(57,602)
Equity-based compensation	—	—	411,239	4	4,713	—	—	4,717	36	4,753
Other	—	—	(36,385)	—	(763)	—	—	(763)	—	(763)
Other comprehensive loss	—	—	—	—	—	80	—	80	1	81
Net income	—	—	—	—	—	—	124,437	124,437	819	125,256
Balance at December 31, 2015	8,400,000	84	86,793,521	868	894,060	(1,666)	(40,635)	852,711	4,215	856,926
Net proceeds from sale of common stock	—	—	6,151,514	62	88,995	—	—	89,057	—	89,057
Net proceeds from sale of preferred stock	3,000,000	30	—	—	72,260	—	—	72,290	—	72,290
Redemption of preferred stock	(2,000,000)	(20)	—	—	(47,855)	—	(2,125)	(50,000)	—	(50,000)
Common stock redemption of common units	—	—	119,308	1	1,022	—	—	1,023	(1,023)	—
Dividends paid	—	—	—	—	—	—	(66,467)	(66,467)	(246)	(66,713)
Equity-based compensation	—	—	522,748	5	4,194	—	—	4,199	22	4,221
Other	—	—	(61,622)	(1)	(1,264)	—	—	(1,265)	—	(1,265)
Other comprehensive income	—	—	—	—	—	689	—	689	4	693
Net income	—	—	—	—	—	—	107,805	107,805	456	108,261
Balance at December 31, 2016	9,400,000	94	93,525,469	935	1,011,412	(977)	(1,422)	1,010,042	3,428	1,013,470
Net proceeds from sale of common stock	—	—	10,350,000	104	163,471	—	—	163,575	—	163,575
Net proceeds from sale of preferred stock	6,400,000	64	—	—	154,668	—	—	154,732	—	154,732
Redemption of preferred stock	(3,000,000)	(30)	—	—	(72,423)	—	(2,572)	(75,025)	—	(75,025)
Common stock redemption of common units	—	—	73,322	1	650	—	—	651	(651)	—
Dividends paid	—	—	—	—	—	—	(86,019)	(86,019)	(241)	(86,260)
Equity-based compensation	—	—	397,448	4	5,861	—	—	5,865	22	5,887
Other	—	—	(59,111)	(1)	(960)	—	—	(961)	—	(961)
Other comprehensive income	—	—	—	—	—	2,428	—	2,428	9	2,437
Net income	—	—	—	—	—	—	99,214	99,214	307	99,521
Balance at December 31, 2017	12,800,000	$ 128	104,287,128	$ 1,043	$ 1,262,679	$ 1,451	$ 9,201	$ 1,274,502	$ 2,874	$ 1,277,376

See Notes to Consolidated Financial Statements

Summit Hotel Properties, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	For the Years Ended December 31,		
	2017	**2016**	**2015**
OPERATING ACTIVITIES			
Net income	$ 99,521	$ 108,261	$ 125,256
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	85,927	72,406	64,052
Amortization of deferred financing costs	2,022	2,143	1,723
Loss on impairment of assets	—	577	1,115
Equity-based compensation	5,887	4,221	4,753
Deferred tax asset, net	887	(2,391)	64
Realization of deferred gain	(15,000)	(5,000)	—
Gain on disposal of assets, net	(28,209)	(44,855)	(65,067)
Non-cash interest income	(284)	—	—
Other	323	180	1,287
Changes in operating assets and liabilities:			
Restricted cash - operating	(769)	1,195	18
Trade receivables, net	(5,032)	(2,655)	(1,727)
Prepaid expenses and other	(2,454)	(626)	28
Accounts payable	(491)	1,676	(4,324)
Accrued expenses and other	4,595	2,803	5,038
NET CASH PROVIDED BY OPERATING ACTIVITIES	146,923	137,935	132,216
INVESTING ACTIVITIES			
Acquisitions of hotel properties	(588,822)	(244,714)	(236,518)
Improvements to hotel properties	(37,191)	(42,433)	(43,197)
Investment in hotel properties under development	(20,993)	—	(75)
Proceeds from asset dispositions, net of closing costs	120,733	145,347	150,054
Funding of real estate loans	(17,935)	(27,500)	(2,634)
Proceeds from repayment or sale of real estate loans	32,500	7,814	—
(Increase) decrease in restricted cash - FF&E reserve	(3,812)	(3,003)	11,304
Decrease (increase) in escrow deposits for acquisitions	—	10,046	(10,046)
NET CASH USED IN INVESTING ACTIVITIES	(515,520)	(154,443)	(131,112)
FINANCING ACTIVITIES			
Proceeds from issuance of debt	667,640	405,000	600,407
Principal payments on debt	(452,082)	(424,545)	(550,150)
Proceeds from equity offerings, net of offering costs	318,307	161,347	—
Redemption of preferred shares	(75,025)	(50,000)	—
Dividends paid	(85,635)	(66,713)	(57,602)
Financing fees on debt	(1,796)	(1,948)	(2,250)
Other	(961)	(1,265)	(764)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	370,448	21,876	(10,359)
Net change in cash and cash equivalents	1,851	5,368	(9,255)
CASH AND CASH EQUIVALENTS			
Beginning of period	34,694	29,326	38,581
End of period	$ 36,545	$ 34,694	$ 29,326
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash payments for interest	$ 27,362	$ 26,156	$ 28,927
Accrued acquisition costs and improvements to hotel properties	$ 7,074	$ 3,071	$ 1,063
Capitalized interest	$ 301	$ —	$ 75
Cash payments for income taxes, net of refunds	$ 623	$ 1,228	$ 2,436

See Notes to Consolidated Financial Statements

NOTE 1 — DESCRIPTION OF BUSINESS

Summit Hotel Properties, Inc. (the "Company") is a self-managed hotel investment company that was organized on June 30, 2010 as a Maryland corporation. The Company holds both general and limited partnership interests in Summit Hotel OP, LP (the "Operating Partnership"), a Delaware limited partnership also organized on June 30, 2010. On February 14, 2011, the Company closed on its initial public offering and completed certain formation transactions, including the merger of Summit Hotel Properties, LLC with and into the Operating Partnership. Unless the context otherwise requires, "we", "us", and "our" refer to the Company and its consolidated subsidiaries.

We focus primarily on owning premium-branded, select-service hotels. At December 31, 2017 , our portfolio consisted of 83 hotels with a total of 12,242 guestrooms located in 26 states. We have elected to be taxed as a real estate investment trust ("REIT") for federal income tax purposes commencing with our short taxable year ended December 31, 2011. To qualify as a REIT, we cannot operate or manage our hotels. Accordingly, all of our hotels are leased to subsidiaries ("TRS Lessees") of our taxable REIT subsidiary ("TRS"). We indirectly own 100% of the outstanding equity interests in all of our TRS Lessees.

NOTE 2 — BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Consolidated Financial Statements of the Company consolidate the accounts of the Company and all entities that are controlled by the Company's ownership of a majority voting interest in such entities, as well as variable interest entities for which the Company is the primary beneficiary. All significant intercompany balances and transactions have been eliminated in the Consolidated Financial Statements.

We prepare our Consolidated Financial Statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP"), which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Consolidated Financial Statements and reported amounts of revenues and expenses in the reporting period. Actual results could differ from those estimates.

Segment Disclosure

Accounting Standards Codification ("ASC") Topic 280, *Segment Reporting* , establishes standards for reporting financial and descriptive information about an enterprise's reportable segments. We have determined that we have one reportable segment, for activities related to investing in real estate. Our investments in real estate are geographically diversified and the chief operating decision makers evaluate operating performance on an individual asset level. As each of our assets has similar economic characteristics, the assets have been aggregated into one reportable segment.

Investment in Hotel Properties

The Company allocates the purchase price of acquired hotel properties based on the fair value of the acquired land, land improvements, building, furniture, fixtures and equipment, identifiable intangible assets or liabilities, other assets and assumed liabilities. Intangible assets may include certain value associated with the on-going operations of the hotel business being acquired as part of the hotel property acquisition. Acquired intangible assets that derive their values from real property or an interest in real property, are inseparable from that real property or interest in real property, and do not produce or contribute to the production of income other than consideration for the use or occupancy of space, are recorded as a component of the related real estate asset in our Consolidated Financial Statements. Identifiable intangible assets or liabilities may also arise from assumed contractual arrangements as part of the acquisition of the hotel property, including terms that are above or below market compared to an estimated fair market value of the agreement on the acquisition date. We determine the acquisition-date fair values of all assets and assumed liabilities using methods similar to those used by independent appraisers, including using a discounted cash flow analysis that uses appropriate discount or capitalization rates and available market information. Estimates of future cash flows are based on a number of factors including historical operating results, known and anticipated trends, and market and economic conditions.

Effective January 1, 2017, we early adopted ASU No. 2017-01, Clarifying the Definition of a Business. As such, if substantially all of the fair value of the gross assets acquired are concentrated in a single identifiable asset or group of similar identifiable assets, the asset or asset group is not considered a business. When we conclude that an acquisition meets this threshold, acquisition costs will be capitalized as part of our allocation of the purchase price of the acquired hotel properties.

Our hotel properties and related assets are recorded at cost, less accumulated depreciation. We capitalize hotel development costs and the costs of significant additions and improvements that materially upgrade, increase the value or extend the useful life of the property. These costs may include hotel development, refurbishment, renovation, and remodeling expenditures, as well as certain indirect internal costs related to construction projects. If an asset requires a period of time in which to carry out the activities necessary to bring it to the condition necessary for its intended use, the interest cost incurred during that period as a result of expenditures for the asset is capitalized as part of the cost of the asset. We expense the cost of repairs and maintenance as incurred.

We generally depreciate our hotel properties and related assets using the straight-line method over their estimated useful lives as follows:

Classification	Estimated Useful Lives
Buildings and improvements	6 to 40 years
Furniture, fixtures and equipment	2 to 15 years

We periodically re-evaluate asset lives based on current assessments of remaining utilization, which may result in changes in estimated useful lives. Such changes are accounted for prospectively and will increase or decrease future depreciation expense.

When depreciable property and equipment is retired or disposed, the related costs and accumulated depreciation are removed from the balance sheet and any gain or loss is reflected in current operations.

On a limited basis, we provide financing to developers of hotel properties for development projects. We evaluate these arrangements to determine if we participate in residual profits of the hotel property through the loan provisions or other agreements. Where we conclude that these arrangements are more appropriately treated as an investment in the hotel property, we reflect the loan as an investment in hotel properties under development in our Consolidated Balance Sheets. If classified as hotel properties under development, no interest income is recognized on the loan and interest expense is capitalized as part of our investment in the hotel property during the construction period.

We monitor events and changes in circumstances for indicators that the carrying value of a hotel property or land held for development may be impaired. Additionally, we perform at least annual reviews to monitor the factors that could trigger an impairment. Factors that we consider for an impairment analysis include, among others: i) significant underperformance relative to historical or anticipated operating results, ii) significant changes in the manner of use of a property or the strategy of our overall business, including changes in the estimated holding periods for hotel properties and land parcels, iii) a significant increase in competition, iv) a significant adverse change in legal factors or regulations, and v) significant negative industry or economic trends. When such factors are identified, we prepare an estimate of the undiscounted future cash flows of the specific property and determine if the carrying amount of the asset is recoverable. If an impairment is identified, we estimate the fair

value of the property based on discounted cash flows or sales price if the property is under contract and an adjustment is made to reduce the carrying value of the property to its estimated fair value.

Intangible Assets

We amortize intangible assets with determined finite useful lives using the straight-line method. We do not amortize intangible assets with indefinite useful lives, but we evaluate these assets for impairment annually or at interim periods if events or circumstances indicate that the asset may be impaired.

Assets Held for Sale

We periodically review our hotel properties and our land held for development based on established criteria such as age, type of franchise, adverse economic and competitive conditions, and strategic fit to identify properties that we believe are either non-strategic or no longer complement our business. Based on our review, we periodically market properties for sale that no longer meet our investment criteria.

We classify assets as Assets Held for Sale in the period in which certain criteria are met, including when the sale of the asset within one year is probable. Assets classified as Assets Held for Sale are no longer depreciated and are carried at the lower of carrying amount or fair value less selling costs.

Variable Interest Entities

We consolidate variable interest entities (each a "VIE") if we determine that we are the primary beneficiary of the entity. When evaluating the accounting for a VIE, we consider the purpose for which the VIE was created, the importance of each of the activities in which it is engaged and our decision-making role, if any, in those activities that significantly determine the entity's economic performance relative to other economic interest holders. We determine our rights, if any, to receive benefits or the obligation to absorb losses that could potentially be significant to the VIE by considering the economic interest in the entity, regardless of form, which may include debt, equity, management and servicing fees, or other contractual arrangements. We consider other relevant factors including each entity's capital structure, contractual rights to earnings or obligations for losses, subordination of our interests relative to those of other investors, contingent payments, and other contractual arrangements that may be economically significant.

Additionally, we have in the past and may in the future enter into purchase and sale transactions in accordance with Section 1031 of the Internal Revenue Code of 1986, as amended ("IRC"), for the exchange of like-kind property to defer taxable gains on the sale of real estate properties ("1031 Exchange"). For reverse transactions under a 1031 Exchange in which we purchase a new property prior to selling the property to be matched in the like-kind exchange (we refer to a new property being acquired by us in the 1031 Exchange prior to the sale of the related property as a "Parked Asset"), legal title to the Parked Asset is held by a qualified intermediary engaged to execute the 1031 Exchange until the sale transaction and the 1031 Exchange is completed. We retain essentially all of the legal and economic benefits and obligations related to a Parked Asset prior to completion of a 1031 Exchange. As such, a Parked Asset is included in our Consolidated Balance Sheets and Consolidated Statements of Operations as a consolidated VIE until legal title is transferred to us upon completion of the 1031 Exchange.

Cash and Cash Equivalents

We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At times, cash on deposit may exceed the federally insured limit. We maintain our cash with high credit quality financial institutions.

Restricted Cash

Restricted cash consists of certain funds maintained in escrow for property taxes, insurance, and certain capital expenditures. Funds may be disbursed from the account upon proof of expenditures and approval from the lender or other party requiring the restricted cash reserves.

Trade Receivables and Credit Policies

We grant credit to qualified customers, generally without collateral, in the form of trade accounts receivable. Trade receivables result from the rental of hotel guestrooms and the sales of food, beverage, and banquet services and are payable under normal trade terms. Trade receivables also include credit and debit card transactions that are in the process of being settled. Trade receivables are stated at the amount billed to the customer and do not accrue interest.

We regularly review the collectability of our trade receivables. A provision for losses is determined on the basis of previous loss experience and current economic conditions. Our allowance for doubtful accounts was $0.1 million at December 31, 2017 and 2016 . Bad debt expense was $0.7 million , $0.6 million and $0.3 million for the years ended December 31, 2017 , 2016 and 2015 , respectively.

Deferred Charges, net

Initial franchise fees are capitalized and amortized over the term of the franchise agreement using the straight-line method.

Deferred Financing Fees

Debt issuance costs are presented as a direct deduction from the carrying value of the debt liability on the Consolidated Balance Sheets. Debt issuance costs are amortized as a component of interest expense over the term of the related debt using the straight-line method, which approximates the interest method.

Non-controlling Interests

Non-controlling interests represent the portion of equity in a consolidated entity held by owners other than the consolidating parent. Non-controlling interests are reported in the Consolidated Balance Sheets within equity, separately from stockholders' equity. Revenue, expenses and net income attributable to both the Company and the non-controlling interests are reported in the Consolidated Statements of Operations.

Our Consolidated Financial Statements include non-controlling interests related to common units of limited partnership interests ("Common Units") in the Operating Partnership held by unaffiliated third parties.

Revenue Recognition

We recognize revenue when guestrooms are occupied, services have been rendered or fees are earned. Revenues are recorded net of any sales and other taxes collected from customers. All discounts are recorded as a reduction to revenue. Cash received prior to guest arrival is recorded as an advance from the customer and is recognized as revenue at the time of occupancy.

Sales and Other Taxes

We have operations in states and municipalities that impose sales or other taxes on certain sales. We collect these taxes from our customers and remit the entire amount to the various governmental units. The taxes collected and remitted are excluded from revenues and are included in accrued expenses until remitted.

Equity-Based Compensation

Our 2011 Equity Incentive Plan, which was amended and restated effective June 15, 2015 (as amended, the "Equity Plan"), provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalent rights, and other stock-based awards. We account for the stock options granted upon completion of our IPO at fair value using the Black-Scholes option-pricing model and we account for all other awards of equity, including time-based and performance-based stock awards using the grant date fair value of those equity awards. Restricted stock awards with performance-based vesting conditions are market-based awards tied to total stockholder return and are valued using a Monte Carlo simulation model in accordance with ASC Topic 718, *Compensation — Stock Compensation* . We expense the fair value of awards under the Equity Plan ratably over the vesting period and market-based awards are not adjusted for performance. The amount of stock-based compensation expense may be subject to adjustment in future periods due to a change in forfeiture assumptions or modification of previously granted awards.

Derivative Financial Instruments and Hedging

All derivative financial instruments are recorded at fair value in our Consolidated Balance Sheets. We use interest rate derivatives to hedge our risks on variable-rate debt. Interest rate derivatives could include swaps, caps and floors. We assess the effectiveness of each hedging relationship by comparing changes in fair value or cash flows of the derivative financial instrument with the changes in fair value or cash flows of the designated hedged item or transaction.

During 2017, we elected to early adopt ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities.* As a result of this election, beginning in 2017, the entire change in the fair value of the hedging instrument was recorded in Other comprehensive income. Amounts deferred in Other comprehensive income will be reclassified to interest expense in our Consolidated Statements of Operations in the period in which the hedged item affects earnings.

Income Taxes

We have elected to be taxed as a REIT under certain provisions of the IRC. To qualify as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute annually to our stockholders at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains, which does not necessarily equal net income as calculated in accordance with GAAP. As a REIT, we generally will not be subject to federal income tax (other than taxes paid by our TRS at regular corporate income tax rates) to the extent we distribute 100% of our REIT taxable income to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income tax on our taxable income at regular corporate income tax rates and generally will be unable to re-elect REIT status until the fifth calendar year after the year in which we failed to qualify as a REIT, unless we satisfy certain relief provisions.

Substantially all of our assets are held by and all of our operations are conducted through our Operating Partnership. Partnerships are not subject to U.S. federal income taxes as revenues and expenses pass through to and are taxed on the owners. Generally, the states and cities where partnerships operate follow the U.S. federal income tax treatment. However, there are a limited number of local and state jurisdictions that tax the taxable income of the Operating Partnership. Accordingly, we provide for income taxes in these jurisdictions for the Operating Partnership.

Taxable income related to our TRS is subject to federal, state and local income taxes at applicable tax rates. Our consolidated income tax provision includes the income tax provision related to the operations of the TRS as well as state and local income taxes related to the Operating Partnership.

Where required, we account for federal and state income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for: i) the future tax consequences attributable to differences between carrying amounts of existing assets and liabilities based on GAAP and the respective carrying amounts for tax purposes, and ii) operating losses and tax-credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date of the change in tax rates. However, deferred tax assets are recognized only to the extent that it is more likely than not they will be realized based on consideration of available evidence, including future reversals of taxable temporary differences, future projected taxable income and tax planning strategies.

We perform a review of any uncertain tax positions and if necessary will record expected future tax consequences of uncertain tax positions in the financial statements.

On December 22, 2017, H.R. 1, originally known as the Tax Cuts and Jobs Act (the “TCJA”), was enacted. The TCJA made many significant changes to the U.S. federal income tax laws applicable to businesses and their owners, including REITs and their stockholders. Pursuant to this legislation, as of January 1, 2018, (1) the federal income tax rate applicable to corporations is reduced to 21% , (2) the highest marginal individual income tax rate is reduced to 37% (through taxable years ending in 2025), (3) the corporate alternative minimum tax is repealed, and (4) the backup withholding rate for U.S. stockholders is reduced to 24% . In addition, individuals, estates and trusts may deduct up to 20% of certain pass-through income, including ordinary REIT dividends that are not “capital gain dividends” or “qualified dividend income,” subject to certain limitations. For taxpayers qualifying for the full deduction, the effective maximum tax rate on ordinary REIT dividends would be 29.6% (through taxable years ending in 2025). The maximum rate of withholding with respect to our distributions to non-U.S. stockholders that are treated as attributable to gains from the sale or exchange of U.S. real property interests is also reduced from 35% to 21% . The deduction of net interest expense is limited for all businesses; provided that certain businesses, including real estate businesses, may elect not to be subject to such limitations and instead to depreciate their real property

related assets over longer depreciable lives. The reduced corporate tax rate will apply to Summit TRS and any other TRS that we form.

The reduced 21% federal income tax rate applicable to corporations will apply to taxable earnings reported for the full 2018 fiscal year. Accordingly, the Company has remeasured its net deferred tax assets using the lower federal tax rate that will apply when these amounts are expected to reverse.

Fair Value Measurement

Fair value measures are classified into a three-tiered fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1:	Observable inputs such as quoted prices in active markets.
Level 2:	Directly or indirectly observable inputs, other than quoted prices in active markets.
Level 3:	Unobservable inputs in which there is little or no market information, which require a reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value are based on one or more of the following valuation techniques:

Market approach:	Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
Cost approach:	Amount required to replace the service capacity of an asset (replacement cost).
Income approach:	Techniques used to convert future amounts to a single amount based on market expectations (including present-value, option-pricing, and excess-earnings models).

Our estimates of fair value were determined using available market information and appropriate valuation methods. Considerable judgment is necessary to interpret market data and develop estimated fair value. The use of different market assumptions or estimation methods may have a material effect on the estimated fair value amounts. We classify assets and liabilities in the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement.

We elected not to use the fair value option for cash and cash equivalents, restricted cash, trade receivables, prepaid expenses and other, debt, accounts payable, and accrued expenses and other. With the exception of our fixed-rate debt (See “Note 5 — Debt”), the carrying amounts of these financial instruments approximate their fair values due to their short-term nature or variable interest rates.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts reported in previous periods have been reclassified to conform to the current presentation, such as the reporting of deferred financing costs and the reclassification of certain intangible assets related to our acquisitions of hotel properties from Other assets to Investment in hotel properties, net, on the Company's balance sheet. Reclassifications had no net effect on the Company’s previously reported financial position or results of operations.

New Accounting Standards

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* , which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU No. 2014-09 will replace most existing revenue recognition guidance in GAAP when it becomes effective. The standard permits the use of either the full retrospective adoption or a modified retrospective adoption. In July 2015, the FASB deferred the effective date to January 1, 2018 with early adoption beginning January 1, 2017. We adopted ASU No. 2014-09 on January

1, 2018 using the modified retrospective adoption method. We have evaluated each of our revenue streams under the new model. The adoption of ASU No. 2014-09 will not have a material effect on our financial position or our results of operations.

In January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities* , which enhances the reporting requirements for the measurement of financial instruments and requires equity securities to be measured at fair value with changes in the fair value recognized through net income for the period. We adopted ASU No. 2016-01 on January 1, 2018. The adoption of ASU No. 2016-01 is not expected to have a material effect on our financial position or our results of operations.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* , which changes lessee accounting to reflect the financial liability and right-of-use assets that are inherent to leasing an asset on the balance sheet. ASU No. 2016-02 is effective for our fiscal year commencing on January 1, 2019, but early adoption is permitted. We anticipate that we will adopt ASU No. 2016-02 for our fiscal year commencing on January 1, 2019. We expect to apply the modified retrospective approach such that we will account for leases that commenced before the effective date of ASU No. 2016-02 in accordance with previous GAAP unless the lease is modified, except we will recognize right-of-use assets and a lease liability for all operating leases at each reporting date based on the present value of the remaining minimum rental payments that were tracked and disclosed under previous GAAP. The effect that the adoption of ASU No. 2016-02 will have on our financial position or results of operations is not currently reasonably estimable.

In August 2016, the FASB issued ASU No. 2016-15, *Classification of Certain Cash Receipts and Cash Payments* , which addresses the Statement of Cash Flow classification and presentation of certain cash transactions. ASU No. 2016-15 is effective for our fiscal year commencing on January 1, 2018. The effect of this amendment is to be applied retrospectively where practical and early adoption is permitted. We have adopted ASU No. 2016-15 for our fiscal year commencing on January 1, 2018. The adoption of ASU No. 2016-15 will not have a material effect on our financial position or our results of operations.

In November 2016, the FASB issued ASU No. 2016-18, *Classification of Restricted Cash* , which addresses the Statement of Cash Flow classification and presentation of restricted cash transactions. ASU No. 2016-18 is effective for our fiscal year commencing on January 1, 2018. The effect of this amendment is to be applied retrospectively and early adoption is permitted. We adopted ASU No. 2016-18 for our fiscal year commencing on January 1, 2018. The adoption of ASU No. 2016-18 will not have a material effect on our financial position or our results of operations.

In January 2017, the FASB issued ASU No. 2017-01, *Clarifying the Definition of a Business* , with the objective of providing guidance to assist entities with evaluating whether transactions should be accounted for as an acquisition of assets or a business. ASU No. 2017-01 is effective for our fiscal year commencing on January 1, 2018. The effect of this guidance is to be applied prospectively and early adoption is permitted. We have early adopted ASU No. 2017-01 for our fiscal year commencing on January 1, 2017. The adoption of ASU No. 2017-01 did not have a material effect on our financial position or our results of operations.

In May 2017, the FASB issued ASU No. 2017-09, *Scope of Modification Accounting* , to provide guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in accordance with ASC No. 718, *Compensation - Stock Compensation.* ASC No. 2017-09 is effective for our fiscal year commencing on January 1, 2018. The effect of this guidance is to be applied prospectively to an award modified on or after the adoption date and early adoption is permitted. Subsequent to year end, we applied the requirements of ASU No. 2017-09 to the modification of certain stock awards as described in "Note 16 - Subsequent Events."

In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* , with the objective of improving the financial reporting of hedging relationships to better portray the economic results of an entity’s risk management activities in its financial statements. During 2017, we elected to early adopt ASC No. 2017-12. The adoption of ASU No. 2017-12 did not have a material effect on our financial position or our results of operations.

NOTE 3 — INVESTMENT IN HOTEL PROPERTIES

Investment in Hotel Properties, net

Investment in hotel properties, net at December 31, 2017 and 2016 include (in thousands):

	2017	2016
Land	$ 272,932	$ 178,423
Hotel buildings and improvements	1,868,273	1,433,389
Intangible assets	22,764	6,602
Construction in progress	12,464	22,490
Furniture, fixtures and equipment	174,126	129,437
	2,350,559	1,770,341
Less - accumulated depreciation	(291,067)	(225,219)
	$ 2,059,492	$ 1,545,122

Depreciation expense was $85.5 million , $72.1 million , and $63.7 million for the years ended December 31, 2017 , 2016 and 2015 , respectively.

Intangible assets included in Investment in hotel properties, net and intangible liabilities included in Accrued expenses and other in our Consolidated Balance Sheets include the following (in thousands):

	2017	2016
Intangible assets:		
Air rights [1]	$ 10,754	$ —
Favorable leases [2]	10,569	6,032
In-place lease agreements	1,361	570
Other	80	—
	22,764	6,602
Less accumulated amortization	(1,001)	(348)
Intangible assets, net	$ 21,763	$ 6,254
Intangible liabilities:		
Unfavorable leases [2]	$ 5,002	$ 5,002
Less accumulated amortization	(285)	(190)
Intangible liabilities, net	$ 4,717	$ 4,812

(1) In conjunction with the acquisition of the Courtyard by Marriott - Charlotte, NC, the Company acquired certain air rights related to the hotel property.
(2) Intangible assets and liabilities are recorded on contracts assumed as part of the acquisition of certain hotels. Above-market and below-market contract values are based on the present value of the difference between contractual amounts to be paid pursuant to the contracts assumed and our estimate of the fair market contract rates for corresponding contracts measured over a period equal to the remaining non-cancelable term of the contracts assumed. Intangible assets and liabilities are amortized over the remaining non-cancelable term of the related contracts.

The finite-lived intangible assets are being amortized using the straight-line method over a weighted average amortization period of 37.1 years. The intangible liabilities are being amortized using the straight-line method over a weighted average amortization period of 55.7 years.

Future amortization expense is expected to be as follows (in thousands):

	Finite-Lived Intangible Assets	Intangible Liabilities
2018	$ 699	$ 95
2019	499	95
2020	370	95
2021	360	95
2022	274	95
Thereafter	8,727	4,242
	$ 10,929	$ 4,717

Investment in Hotel Properties Under Development

We are developing a hotel in Orlando, FL on a parcel of land that we own. We expect the total development costs for the construction of the hotel to be approximately $30.0 million . We have incurred $21.0 million of costs to date and we have reclassified the $2.8 million carrying amount of the land parcel from Land Held for Development to Investment in Hotel Properties Under Development during the year ended December 31, 2017 as a result of our development activities. We anticipate that construction of this hotel will be complete by mid-year 2018 and the hotel will be open for business shortly thereafter.

Assets Held for Sale

Assets held for sale at December 31, 2017 and 2016 include the following (in thousands):

	2017	2016
Land	$ 1,193	$ 10,907
Hotel building and improvements	—	44,718
Furniture, fixtures and equipment	—	6,649
Construction in progress	—	29
Franchise fees	—	392
	$ 1,193	$ 62,695

Assets Held for Sale at December 31, 2017 included land parcels in Spokane, WA and Flagstaff, AZ, which were being actively marketed for sale. Assets Held for Sale at December 31, 2016 include the hotel properties related to the HIT Sale and the land parcels in Spokane, WA and Flagstaff, AZ, which were being actively marketed for sale.

Dispositions to Affiliates of Hospitality Investors Trust, Inc. ***(formerly American Realty Capital Hospitality Trust, Inc.)***

On February 11, 2016, we completed the sale of six hotels to affiliates of Hospitality Investors Trust, Inc. ("HIT") for an aggregate selling price of $108.3 million (the "HIT Sale"), with the proceeds from the HIT Sale being used to complete certain reverse 1031 Exchanges. The hotels acquired by us for the reverse 1031 Exchanges included the 179 -guestroom Courtyard by Marriott in Atlanta (Decatur), GA on October 20, 2015 for a purchase price of $44.0 million and the 226 -guestroom Courtyard by Marriott, Nashville, TN for a purchase price of $71.0 million on January 19, 2016. The completion of the reverse 1031 Exchanges resulted in the deferral of taxable gains of approximately $74.0 million and the pay-down of our unsecured revolving credit facility by $105.0 million . Additionally, we repaid a mortgage loan totaling $5.8 million related to the sale of a hotel to HIT. The HIT Sale resulted in a $56.8 million gain, of which $20.0 million was initially deferred related to seller financing that we provided as described below.

In connection with the HIT Sale, the Operating Partnership entered into a loan agreement with HIT, as borrower, which provided for a loan by the Operating Partnership to HIT in the amount of $27.5 million (the “Loan” or "Loan Agreement"). The proceeds of the Loan were required to be applied by HIT as follows: (i) $20.0 million was applied toward the payment of a portion of the $108.3 million purchase price for the six hotels acquired by HIT as part of the HIT Sale; and (ii) the remaining $7.5 million was applied by HIT to fund the escrow deposit required for the purchase of eight hotels as described below.

Through December 31, 2016, we had recognized as income $5.0 million of the deferred gain upon receipt of scheduled repayments of the principal balance of the loan from HIT. On March 31, 2017, HIT repaid the remaining $22.5 million principal balance of the Loan and payment-in-kind ("PIK") interest of $1.2 million . As such, we recognized as income during the year ended December 31, 2017 the remaining $15.0 million of the deferred gain related to the sale of six hotels to HIT.

Pursuant to an agreement entered into by the Company and an affiliate of HIT on February 11, 2016, as such agreement was subsequently modified and extended, the affiliate of HIT was to purchase ten of the Company's hotels. Two of the hotels were sold during 2016 to a purchaser not affiliated with HIT as permitted by the agreement.

On April 27, 2017, we completed the sale of seven of the remaining eight hotels to an affiliate of HIT for a total purchase price of $66.8 million , resulting in a net gain of approximately $16.0 million . The seven hotels sold were as follows:

Hotel	Location	Guestrooms
Courtyard by Marriott	Jackson, MS	117
Courtyard by Marriott	Germantown, TN	93
Fairfield Inn & Suites	Germantown, TN	80
Homewood Suites	Ridgeland, MS	91
Residence Inn	Jackson, MS	100
Residence Inn	Germantown, TN	78
Staybridge Suites	Ridgeland, MS	92
		651

The proceeds from this sale were used to complete a 1031 Exchange, which resulted in the deferral of taxable gains of approximately $20.8 million . The hotel acquired by us for the 1031 Exchange was the 261 -guestroom Courtyard by Marriott, Fort Lauderdale, FL for a purchase price of $85.0 million on May 23, 2017.

On June 2, 2017, we completed the sale of the Courtyard by Marriott, El Paso, TX, which was the final hotel under contract for sale to HIT, to a third-party purchaser that is unrelated to HIT. The sale of this property resulted in the realization of a net gain of $0.4 million during the year ended December 31, 2017. As a result of this sale, HIT has fulfilled its purchase obligations to us.

Other Asset Sales

On March 30, 2017, we completed the sale of the Hyatt Place in Atlanta, GA for $14.5 million and repaid a related mortgage loan totaling $6.5 million . The sale of this property resulted in the realization of a net gain of $4.8 million during the year ended December 31, 2017.

On July 21, 2017, we completed the sale of three hotel properties in Fort Worth, TX for an aggregate sales price of $27.8 million , resulting in a net gain of $8.1 million . The proceeds from this sale were used to complete a 1031 Exchange, which resulted in the deferral of taxable gains of $8.6 million .

On May 13, 2016, we completed the sale of the Holiday Inn Express & Suites in Irving (Las Colinas), TX for $10.5 million .

We also completed the sale of two properties previously contracted for sale to HIT to third parties unrelated to HIT. The first sale was the Aloft in Jacksonville, FL for $8.6 million on June 1, 2016. The second sale was the Holiday Inn Express in Vernon Hills, IL for $5.9 million on June 7, 2016. The proceeds from the sale of the Holiday Inn Express & Suites in Irving (Las Colinas), TX and the Holiday Inn Express in Vernon Hills, IL were used to complete a reverse 1031 Exchange with the acquisition of the 160 -guestroom Residence Inn by Marriott in Atlanta, GA on January 20, 2016 for a purchase price of $38.0 million . The completion of the reverse 1031 Exchange resulted in the deferral of taxable gains of approximately $5.1 million .

On July 6, 2016, we completed the sale of the Hyatt Place in Irving (Las Colinas), TX for $14.0 million . The proceeds from the sale of this property were used to complete a 1031 Exchange related to the purchase of the 157 -guestroom Marriott in Boulder, CO on August 9, 2016 for a purchase price of $61.4 million . The completion of the 1031 Exchange resulted in the deferral of taxable gains of approximately $7.5 million .

Hotel Property Acquisitions

Hotel property acquisitions in 2017 and 2016 were as follows (in thousands):

Date Acquired	Franchise/Brand	Location	Guestrooms	Purchase Price	
Year Ended December 31, 2017					
March 1, 2017	Homewood Suites	Aliso Viejo (Laguna Beach), CA	129	$ 38,000	
March 30, 2017	Hyatt Place	Phoenix (Mesa), AZ	152	22,200	
May 23, 2017	Courtyard by Marriott	Fort Lauderdale, FL	261	85,000	
June 9, 2017	Courtyard by Marriott	Charlotte, NC	181	56,250	
June 21, 2017	Courtyard by Marriott	Fort Worth, TX	203	40,000	
June 21, 2017	Courtyard by Marriott	Kansas City, MO	123	24,500	
June 21, 2017	Courtyard by Marriott	Pittsburgh, PA	182	42,000	
June 21, 2017	Hampton Inn & Suites	Baltimore, MD	116	18,000	
June 21, 2017	Residence Inn by Marriott	Baltimore, MD	188	38,500	
July 13, 2017	AC Hotel by Marriott	Atlanta, GA	255	57,500	
November 14, 2017	Courtyard by Marriott	New Haven, CT	207	63,400	
November 14, 2017	Hilton Garden Inn	Waltham, MA	148	32,300	
November 14, 2017	Homewood Suites	Tucson, AZ	122	25,300	
November 14, 2017	Residence Inn by Marriott	Cleveland, OH	175	43,000	
			2,442	$ 585,950	(1)
Year Ended December 31, 2016					
January 19, 2016	Courtyard by Marriott	Nashville, TN	226	$ 71,000	
January 20, 2016	Residence Inn by Marriott	Atlanta, GA	160	38,000	
August 9, 2016	Marriott	Boulder, CO	157	61,400	
October 28, 2016	Hyatt Place	Chicago, IL	206	73,750	
			749	$ 244,150	(2)

(1) The net assets acquired totaled $588.8 million due to the purchase at settlement of $0.2 million of net working capital assets and capitalized transaction costs of $2.6 million .
(2) The net assets acquired totaled $244.7 million due to the purchase at settlement of $0.6 million of net working capital assets.

The allocation of the aggregate purchase prices to the fair value of assets and liabilities acquired for the above acquisitions is as follows (in thousands):

	2017	2016
Land	$ 98,639	$ 28,683
Hotel buildings and improvements	447,477	207,433
Intangible assets	16,162	442
Furniture, fixtures and equipment	26,546	8,081
Other assets	2,738	798
Total assets acquired	591,562	245,437
Less other liabilities	(2,740)	(723)
Net assets acquired	$ 588,822	$ 244,714

Total revenues and net income for hotel properties acquired in 2017 and 2016 , which are included in our Consolidated Statements of Operations for the years ended December 31, 2017 and 2016 , are as follows (in thousands):

	2017 Acquisitions	2016 Acquisitions	
	2017 (1)	2017	2016 (1)
Revenues	$ 53,443	$ 47,842	$ 28,560
Net income	$ 5,914	$ 8,736	$ 6,992

(1) The results of operations of acquired hotel properties are included beginning on their respective acquisition dates; therefore, the results are for a partial period in the year acquired.

The results of operations of acquired hotel properties are included in the Consolidated Statements of Operations beginning on their respective acquisition dates. The following unaudited condensed pro forma financial information presents the results of operations as if all acquisitions in 2017 and 2016 had taken place on January 1, 2016 and all dispositions had occurred prior to that date. For hotels acquired by us after January 1, 2016 (the "Acquired Hotels"), we have included in the pro forma information the financial results of each of the Acquired Hotels for the period from January 1, 2016 to the date the Acquired Hotels were purchased by us (the "Pre-Acquisition Period"). The financial results for the Pre-Acquisition Period were provided by the third-party owner of such Acquired Hotel prior to purchase by us and such information has not been audited or reviewed by our auditors or adjusted by us. For hotels sold by us between January 1, 2016 and December 31, 2017 (the "Disposed Hotels"), the unaudited pro forma information excludes the financial results of each of the Disposed Hotels for the period of ownership by us from January 1, 2016 through the date that the Disposed Hotels were sold by us. The unaudited pro forma information is included to enable comparison of results for the current reporting period to results for the comparable period of the prior year and is not indicative of what actual results of operations would have been had the hotel acquisitions and dispositions taken place on or before January 1, 2016. The pro forma amounts exclude the gain on the sale of hotel properties during the years ended December 31, 2017 and 2016, respectively. This information does not purport to be indicative of or represent results of operations for future periods.

The unaudited condensed pro forma financial information for 2017 and 2016 is as follows (in thousands, except per share):

	2017	2016
	(unaudited)	
Revenues	$ 567,342	$ 562,030
Income from hotel operations (1)	$ 211,730	$ 217,414
Net income (2)	$ 76,292	$ 106,909
Net income attributable to common stockholders, net of amount allocated to participating securities (2)	$ 55,803	$ 85,761
Basic net income per share attributable to common stockholders (2)	$ 0.56	$ 0.99
Diluted net income per share attributable to common stockholders (2)	$ 0.56	$ 0.98

(1) Pro Forma amounts include real estate tax expense totaling $31.9 million and $27.5 million for the years ended December 31, 2017 and 2016, respectively.
(2) Pro Forma amounts include depreciation expense, real estate tax expense, interest expense, income tax expense, and other corporate expenses totaling $166.8 million and $139.3 million for the years ended December 31, 2017 and 2016, respectively.

NOTE 4 — SUPPLEMENTAL BALANCE SHEET INFORMATION

Investment in Real Estate Loans

Investment in real estate loans, net at December 31, 2017 and 2016 includes (in thousands):

	2017	2016
Real estate loans (net of discount of $5.8 million at December 31, 2017)	$ 12,356	$ 10,085
HIT Loan (net of deferred gain of $15.0 million at December 31, 2016)	—	7,500
	$ 12,356	$ 17,585

We are a mezzanine lender on three construction loans to fund up to an aggregate of $29.6 million for the development of three hotel properties. The three real estate loans closed in the fourth quarter of 2017 and each has a stated interest rate of 8% and an initial term of approximately three years. As of December 31, 2017, we have funded $17.9 million on the loans. We have separate options related to each loan (each the "Initial Option") to purchase a 90% interest in each joint venture that owns the hotels upon completion of construction. We also have the right to purchase the remaining interests in each joint venture at future dates, generally five years after we exercise our Initial Option. We have recorded the aggregate estimated fair value of the Initial Options totaling $6.1 million in Other assets and as a discount to the related real estate loans. The discount will be amortized as a component of interest income over the term of the real estate loans using the straight-line method, which approximates the interest method. We recorded amortization of the discount of $0.3 million during the year ended December 31, 2017.

At December 31, 2016 , we had an outstanding real estate note receivable totaling $10.1 million . The note had an interest rate of 10.0% per annum paid monthly and an initial maturity date of May 31, 2017. On January 12, 2017, the borrower exercised an option to extend the maturity date until May 13, 2018. On August 1, 2017, the borrower repaid our note receivable in full.

On March 31, 2017, HIT repaid the remaining $22.5 million principal balance of the Loan and PIK interest of $1.2 million . As such, we recognized as income during the year ended December 31, 2017 the remaining $15.0 million of the deferred gain related to the sale of six hotels to HIT (See "Note 3 - Investment in Hotel Properties" for further details).

Restricted Cash

Restricted cash at December 31, 2017 and 2016 was as follows (in thousands):

	2017	2016
FF&E reserves	$ 25,812	$ 22,000
Property taxes	2,726	2,220
Other	924	661
	$ 29,462	$ 24,881

Prepaid Expenses and Other

Prepaid expenses and other at December 31, 2017 and 2016 included the following (in thousands):

	2017	2016
Prepaid insurance	$ 3,020	$ 2,218
Other	6,434	4,256
	$ 9,454	$ 6,474

Deferred Charges

Deferred charges at December 31, 2017 and 2016 were as follows (in thousands):

	2017	2016
Initial franchise fees	$ 6,894	$ 5,101
Less - accumulated amortization	(1,673)	(1,374)
	$ 5,221	$ 3,727

Amortization expense for the years ended December 31, 2017 , 2016 , and 2015 was $0.4 million , $0.3 million and $0.4 million , respectively.

Other Assets

Other assets at December 31, 2017 and 2016 included the following (in thousands):

	2017	2016
Purchase options related to real estate loans	$ 6,078	$ —
Prepaid land lease	3,228	3,275
Deferred tax asset, net	1,616	2,503
Derivative financial instruments	1,509	—
	$ 12,431	$ 5,778

Accrued Expenses and Other

Accrued expenses and other at December 31, 2017 and 2016 included the following (in thousands):

	2017	2016
Accrued property, sales and income taxes	$ 16,664	$ 11,171
Accrued salaries and benefits	8,556	10,802
Other accrued expenses at hotels	15,509	12,356
Acquired unfavorable leases	4,717	4,812
Accrued interest	1,958	1,655
Derivative financial instruments	190	1,118
Other	8,894	6,084
	$ 56,488	$ 47,998

NOTE 5 — DEBT

At December 31, 2017 , our indebtedness is comprised of borrowings under a $450.0 million senior unsecured credit and term loan facility, the 2015 Term Loan (as defined below), the 2017 Term Loan (as defined below), and indebtedness secured by first priority mortgage liens on various hotel properties. At December 31, 2016, our indebtedness was comprised of borrowings under a $450.0 million senior unsecured credit and term loan facility, the 2015 Term Loan (as defined below), and indebtedness secured by first priority mortgage liens on various hotel properties. The weighted average interest rate, after giving affect to our interest rate derivative, for all borrowings was 3.89% and 3.69% at December 31, 2017 and 2016 , respectively.

$450 Million Senior Unsecured Credit and Term Loan Facility

On January 15, 2016, the Operating Partnership, as borrower, the Company, as parent guarantor, and each party executing the loan documentation as a subsidiary guarantor, entered into a $450.0 million senior unsecured facility (the "2016 Unsecured Credit Facility"). The 2016 Unsecured Credit Facility is comprised of a $300.0 million revolving credit facility (the " $300 million Revolver") and a $150.0 million term loan (the " $150 million Term Loan"). At December 31, 2017, the maximum amount of borrowing provided by the 2016 Unsecured Credit Facility was $450.0 million , of which we had $165.0 million borrowed and $285.0 million available to borrow.

The 2016 Unsecured Credit Facility has an accordion feature which will allow the Company to increase the total commitments by an aggregate of up to $150.0 million . The $300 million Revolver will mature on March 31, 2020 and can be extended to March 31, 2021 at the Company's option, subject to certain conditions. The $150 million Term Loan will mature on March 31, 2021.

The Company pays interest on revolving credit advances at varying rates based upon, at the Company's option, either (i) 1, 2, 3, or 6-month LIBOR, plus a LIBOR margin between 1.50% and 2.25% , depending upon the Company's leverage ratio (as defined in the 2016 Unsecured Credit Facility agreement), or (ii) the applicable base rate, which is the greatest of the administrative agent's prime rate, the federal funds rate plus 0.50% , and 1-month LIBOR plus 1.00% , plus a base rate margin between 0.50% and 1.25% , depending upon the Company's leverage ratio. The interest rate at December 31, 2017 was 3.21% .

Unencumbered Assets. The 2016 Unsecured Credit Facility is unsecured. However, borrowings under the 2016 Unsecured Credit Facility are limited by the value of hotel assets that qualify as unencumbered assets. At December 31, 2017, the Company had 50 unencumbered hotel properties (the "Unencumbered Properties") supporting the 2016 Unsecured Credit Facility.

An interest rate swap entered into on September 5, 2013 with a notional value of $75.0 million , an effective date of January 2, 2014 and a maturity date of October 1, 2018 remains outstanding. This interest rate swap was designated as a cash flow hedge and effectively fixes LIBOR at 2.04% for a portion of the $150 million Term Loan.

Unsecured Term Loans

2015 Term Loan

On April 7, 2015, our Operating Partnership, as borrower, the Company, as parent guarantor, and each party executing the term loan documentation as a subsidiary guarantor, entered into a $125.0 million unsecured term loan (the "2015 Term Loan"). The 2015 Term Loan matures on April 7, 2022 and has an accordion feature which allows us to increase the total commitments by an aggregate of $75.0 million prior to the maturity date, subject to certain conditions. On April 21, 2015, the Company exercised $15.0 million of the accordion and added American Bank, N.A. as a lender under the facility.

At closing, we were advanced the full $125.0 million amount of the 2015 Term Loan and on April 21, 2015, we were advanced the $15.0 million exercised on the accordion. All proceeds were used to pay down the principal balance of our $225 million revolver provided under the former $300.0 million senior unsecured credit and term loan facility. We pay interest on advances equal to the sum of LIBOR or the administrative agent's prime rate and the applicable margin. We are currently paying interest at 3.51% based on LIBOR at December 31, 2017.

Borrowings under the 2015 Term Loan are limited by the value of hotel assets that qualify as unencumbered assets. As of December 31, 2017, the Unencumbered Properties also supported the 2015 Term Loan.

2017 Term Loan

On September 26, 2017, our Operating Partnership, as borrower, the Company, as parent guarantor, and each party executing the term loan documentation as a subsidiary guarantor, entered into a $225.0 million unsecured term loan (the "2017 Term Loan") with KeyBank National Association, as administrative agent, Deutsche Bank AG New York Branch and Bank of America, N.A., as co-syndication agents, KeyBanc Capital Markets, Inc., Deutsche Bank Securities, Inc., and Merrill Lynch Pierce Fenner & Smith, as joint bookrunners and joint lead arrangers, and a syndicate of lenders including KeyBank National Association, Deutsche Bank AG New York Branch, Bank of America, N.A., Capital One, National Association, PNC Bank, National Association, Regions Bank, Raymond James Bank, N.A., Royal Bank of Canada, Branch Banking and Trust Company, and U.S. Bank National Association.

The 2017 Term Loan has an accordion feature which allows us to increase the total commitments by an aggregate of $175.0 million prior to the maturity date, subject to certain conditions. The 2017 Term Loan matures on November 25, 2022.

We pay interest on advances at varying rates, based upon, at our option, either (i) 1, 2, 3, or 6-month LIBOR, plus a LIBOR margin between 1.45% and 2.20% , depending upon our leverage ratio (as defined in the loan documents), or (ii) the applicable base rate, which is the greatest of the administrative agent's prime rate, the federal funds rate plus 0.50% , and 1-month LIBOR plus 1.00% , plus a base rate margin between 0.45% and 1.20% , depending upon our leverage ratio. We are required to pay other fees, including customary arrangement and administrative fees.

Financial and Other Covenants . In addition, we are required to comply with a series of financial and other covenants in order to borrow and maintain borrowings under the 2017 Term Loan. At December 31, 2017 we are in compliance with all financial covenants.

Unencumbered Assets . The 2017 Term Loan is unsecured. However, borrowings under the term loan are limited by the value of hotel assets that qualify as unencumbered assets. As of December 31, 2017, the Unencumbered Properties also supported the 2017 Term Loan.

The 2017 Term Loan gave us the option to delay draws of the principal amount of the term loan. On September 26, 2017, we drew $125.0 million of the $225.0 million available under the 2017 Term Loan and used the proceeds to pay down the principal balance of our $300 million Revolver. On December 11, 2017, we drew the remaining $100.0 million of the $225.0 million available under the 2017 Term Loan and used the proceeds to pay down the principal balance of our $300 million Revolver. The interest rate at December 31, 2017 was 3.11% .

MetaBank Loan

On June 30, 2017, we entered into a $47.6 million secured, non-recourse loan with MetaBank (the "MetaBank Loan"). The MetaBank Loan includes a delayed draw feature, at no additional cost. At September 30, 2017, we had drawn $25.0 million on the MetaBank Loan. On December 28, 2017, we drew the remaining $22.6 million available under the MetaBank Loan and used the proceeds to pay down the principal balance of our $300 million Revolver. The MetaBank Loan provides for a fixed interest rate of 4.44% and interest only payments for 18 months following the closing date. After this 18 month period, the loan is amortized on a 25 -year amortization schedule through the maturity date of July 1, 2027. The MetaBank Loan is secured by the Residence Inn in Salt Lake City, UT, the Four Points by Sheraton Hotel & Suites in South San Francisco, CA, and the Hyatt Place in Mesa, AZ. The MetaBank Loan is subject to a prepayment penalty if prepaid prior to April 1, 2027.

At December 31, 2017 and 2016 our outstanding indebtedness was as follows (in thousands):

Lender	Reference	Interest Rate	Amortization Period (Years)	Maturity Date	Number of Properties Encumbered 12/31/2017	Balance at December 31, 2017	Balance at December 31, 2016
$450 Million Senior Unsecured Credit and Term Loan Facility							
Deutsche Bank AG New York Branch							
$300 Million Revolver		3.21% Variable	n/a	March 31, 2020	n/a	$ 15,000	$ 50,000
$150 Million Term Loan	(1)	3.40% Variable	n/a	March 31, 2021	n/a	150,000	150,000
Total Senior Unsecured Credit and Term Loan Facility						165,000	200,000
Unsecured Term Loan							
KeyBank National Association, as Administrative Agent							
Term Loan		3.51% Variable	n/a	April 7, 2022	n/a	140,000	140,000
KeyBank National Association, as Administrative Agent							
Term Loan		3.11% Variable	n/a	November 25, 2022	n/a	225,000	—
Secured Mortgage Indebtedness							
Voya	(2)	5.18% Fixed	20	March 1, 2019	2	40,015	41,328
	(2)	5.18% Fixed	20	March 1, 2019	4	35,865	37,042
	(2)	5.18% Fixed	20	March 1, 2019	2	23,130	23,889
	(2)	5.18% Fixed	20	March 1, 2019	1	16,431	16,970
KeyBank National Association	(3)	4.46% Fixed	30	February 1, 2023	4	26,928	27,473
	(4)	4.52% Fixed	30	April 1, 2023	3	20,877	21,291
	(5)	4.30% Fixed	30	April 1, 2023	3	20,211	20,626
	(6)	4.95% Fixed	30	August 1, 2023	2	36,093	36,741
Bank of America Commercial Mortgage	(7)	6.41% Fixed	25	September 1, 2017	—	—	7,661
Western Alliance Bank	(8)	5.39% Fixed	25	April 1, 2020	1	8,701	8,912
	(8)	5.39% Fixed	25	April 1, 2020	1	4,685	4,798
MetaBank	(9)	4.25% Fixed	20	August 1, 2018	—	—	6,588
	(10)	4.44% Fixed	25	July 1, 2027	3	47,640	—
Bank of Cascades	(11)	3.56% Variable	25	December 19, 2024	1	9,023	9,289
	(11)	4.30% Fixed	25	December 19, 2024	—	9,023	9,289
Compass Bank	(12)	3.96% Variable	25	May 6, 2020	3	22,773	23,394
Western Alliance Bank	(13)	5.39% Fixed	25	April 1, 2020	1	5,769	5,910
	(13)	5.39% Fixed	25	April 1, 2020	1	4,926	5,046
U.S. Bank, NA	(14)	6.13% Fixed	25	November 11, 2021	1	11,019	11,303
Total Mortgage Loans					33	343,109	317,550
Total Debt						873,109	657,550
Unamortized debt issuance costs						(4,873)	(5,136)
Debt, net of issuance costs						$ 868,236	$ 652,414

(1) An interest rate swap fixed a portion of the interest rate on this loan. See "Note 6 - Derivative Financial Instruments and Hedging."

(2) On September 24, 2015, we modified an existing term loan collateralized by properties sold in 2015 to substitute collateral with properties not included in the sale in order to avoid significant yield maintenance costs associated with an early pay-off. We now have four term loans with Voya with an aggregate principal amount of $115.4 million , fixed interest rates of 5.18% , and a first call date of March 1, 2019. The nine hotel properties encumbered by the Voya mortgage loans are cross-collateralized, and the four mortgage loans are cross-defaulted.

(3) On January 25, 2013, we closed on a $29.4 million loan with a fixed rate of 4.46% and a maturity of February 1, 2023. This loan is secured by four of the Hyatt Place hotels we acquired in October 2012. These hotels are located in Chicago (Lombard), IL; Denver (Lone Tree), CO; Denver (Englewood), CO; and Dallas (Arlington), TX. This loan is subject to defeasance if prepaid.

(4) On March 7, 2013, we closed on a $ 22.7 million loan with a fixed rate of 4.52% and a maturity of April 1, 2023. This loan is secured by three of the Hyatt hotels we acquired in October 2012. These hotels include a Hyatt House in Denver (Englewood), CO and Hyatt Place hotels in Baltimore (Owings Mills), MD and Scottsdale, AZ. This loan is subject to defeasance if prepaid.

(5) On March 8, 2013, we closed on a $ 22.0 million loan with a fixed rate of 4.30% and a maturity of April 1, 2023. This loan is secured by the three Hyatt Place hotels we acquired in January 2013. These hotels are located in Chicago (Hoffman Estates), IL; Orlando (Convention), FL; and Orlando (Universal), FL. This loan is subject to defeasance if prepaid.

(6) On July 22, 2013, we closed on a $38.7 million loan with a fixed rate of 4.95% and a maturity of August 1, 2023. This loan is secured by two Marriott hotels we acquired in May 2013. These hotels include a Fairfield Inn & Suites and SpringHill Suites in Louisville, KY. This loan is subject to defeasance if prepaid.

(7) On May 16, 2012, we assumed a loan in our acquisition of the Hilton Garden Inn in Smyrna, TN. This loan was repaid in 2017. There were no prepayment penalties incurred in this transaction.

(8) On March 28, 2014, we amended the loans with Western Alliance Bank, which are cross-collateralized by the Courtyard by Marriott and the SpringHill Suites by Marriott, both located in Scottsdale, AZ. The loans were amended to bear interest at a fixed rate of 5.39% and the maturity dates were extended to April 1, 2020.

(9) On July 26, 2013, we closed on a $7.4 million loan with a fixed rate of 4.25% and a maturity of August 1, 2018. This loan is secured by the Hyatt Place in Atlanta, GA. This loan has a prepayment penalty of: (i) 3% until July 26, 2015, (ii) 2% until July 26, 2017, and (iii) 1% until February 1, 2018. This loan was repaid in 2017. There were prepayment penalties of $0.1 million related to the early repayment of this loan.

(10) On June 30, 2017, we entered into the MetaBank Loan. The MetaBank Loan provides for a fixed interest rate of 4.44% and interest only payments for 18 months following the closing date. After this 18 month period, the loan is amortized on a 25 -year amortization schedule through the maturity date of July 1, 2027. The MetaBank Loan is secured by the Residence Inn in Salt Lake City, UT, the Four Points by Sheraton Hotel & Suites in South San Francisco, CA, and the Hyatt Place in Mesa, AZ. The MetaBank Loan is subject to a prepayment penalty if prepaid prior to April 1, 2027.

(11) On December 19, 2014, we refinanced our loan with Bank of the Cascades and increased the amount financed by $ 7.9 million . As part of the refinance the loan was split into two notes. Note A carries a variable interest rate of 30-day LIBOR plus 200 basis points and Note B carries a fixed interest rate of 4.3% . Both notes have amortization periods of 25 years and maturity dates of December 19, 2024. The Bank of Cascades mortgage loans are secured by the same collateral and cross-defaulted.

(12) On May 6, 2014, we closed on a $25.0 million loan with Compass Bank. The loan carries a variable rate of 30-day LIBOR plus 240 basis points, amortizes over 25 years , and has a May 6, 2020 maturity date. The loan is secured by first mortgage liens on the Hampton Inn & Suites hotels located in San Diego (Poway), CA and Ventura (Camarillo), CA and the Courtyard by Marriott located in Arlington, TX.

(13) On March 28, 2014, we amended two loans with Western Alliance Bank, which are cross-collateralized by the Hilton Garden Inn (Lakeshore) and the Hilton Garden Inn (Liberty Park), both located in Birmingham, AL. Both loans were amended to bear interest at a fixed rate of 5.39% and the maturity dates were extended to April 1, 2020.

(14) On January 10, 2014, as part of our acquisition of the 98 -guestroom Hampton Inn in Santa Barbara (Goleta), CA, we assumed a $12.0 million mortgage loan with a fixed interest rate of 6.133% , an amortization period of 25 years, and a maturity date of November 11, 2021.

Our outstanding indebtedness requires us to comply with a series of financial and other covenants. At December 31, 2017, we were in compliance with all required covenants.

Our total fixed-rate and variable-rate debt at December 31, 2017 and 2016 , after giving effect to our $75.0 million interest rate derivative, is as follows (in thousands):

	2017	2016
Fixed-rate debt	$ 386,313	$ 359,867
Variable-rate debt	486,796	297,683
	$ 873,109	$ 657,550

Principal payments for each of the next five years are as follows (in thousands):

2018	$ 8,154
2019	116,978
2020	63,489
2021	164,155
2022	369,269
Thereafter	151,064
	$ 873,109

Information about the fair value of our fixed-rate debt that is not recorded at fair value is as follows (in thousands):

	2017		2016		
	Carrying Value	Fair Value	Carrying Value	Fair Value	Valuation Technique
Fixed-rate debt	$ 311,313	$ 310,535	$ 284,867	$ 283,416	Level 2 - Market approach

At both December 31, 2017 and 2016 , we had $75.0 million of debt with variable interest rates that had been converted to fixed interest rates through derivative financial instruments which are carried at fair value. Differences between carrying value and fair value of our fixed-rate debt are primarily due to changes in interest rates. Inherently, fixed-rate debt is subject to fluctuations in fair value as a result of changes in the current market rate of interest on the valuation date. For additional information on our use of derivatives as interest rate hedges, refer to "Note 6 — Derivative Financial Instruments and Hedging."

NOTE 6 — DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

We are exposed to interest rate risk through our variable-rate debt. We manage this risk primarily by managing the amount, sources, and duration of our debt funding and through the use of derivative financial instruments. Specifically, we enter into derivative financial instruments to manage our exposure to known or expected cash payments related to our variable-rate debt. The maximum length of time over which we have hedged our exposure to variable interest rates with our existing derivative financial instruments is approximately six years.

Our objectives in using derivative financial instruments are to add stability to interest expense and to manage our exposure to interest rate movements. To accomplish these objectives, we primarily use interest rate swaps as part of our interest rate risk management strategy. Our interest rate swaps are designated as cash flow hedges and involve the receipt of variable-rate payments from a counterparty in exchange for making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

On October 2, 2017, we entered into two separate $100 million interest rate swap agreements with an effective date of January 29, 2018, to partially fix the interest rate on a portion of our variable interest rate unsecured indebtedness. The swaps convert LIBOR from a floating rate to an average annual fixed rate of 1.98% through January 31, 2023.

Our interest rate swap agreement with a notional amount of $75.0 million expires on October 1, 2018.

Our agreements with our derivative counterparties contain provisions such that if we default, or can be declared in default, on any of our indebtedness, then we could also be declared in default on our derivative financial instruments.

Information about our derivative financial instruments at December 31, 2017 and 2016 are as follows (dollar amounts in thousands):

	December 31, 2017			December 31, 2016		
	Number of Instruments	Notional Amount	Fair Value	Number of Instruments	Notional Amount	Fair Value
Interest rate swaps (asset)	2	$ 200,000	$ 1,509	—	$ —	$ —
Interest rate swap (liability)	1	75,000	(190)	1	75,000	(1,118)
	3	$ 275,000	$ 1,319	1	$ 75,000	$ (1,118)

Our interest rate swaps have been designated as cash flow hedges and are valued using a market approach, which is a Level 2 valuation technique. At December 31, 2017 , two of our interest rate swaps were in an asset position and one was in a liability position. At December 31, 2016 , our interest rate swap was in a liability position. We are not required to post any collateral related to these agreements and we are not in breach of any financial provisions of the agreements.

During 2017, we elected to early adopt ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities.* As a result of this election, beginning in 2017, the entire change in the fair value of the hedging instrument included in the assessment of hedge effectiveness will be recorded in other comprehensive income. Amounts deferred in other comprehensive income will be reclassified to interest expense as interest payments are made on the hedged variable-rate debt. In 2018 , we estimate that an additional $0.6 million will be reclassified from other comprehensive income as an increase to interest expense.

The table below details the location in the financial statements of the gain or loss recognized on derivative financial instruments designated as cash flow hedges (in thousands):

	2017	2016	2015
Gain (loss) recognized in accumulated other comprehensive income on derivative financial instruments	$ 1,703	$ (497)	$ (1,846)
Loss reclassified from accumulated other comprehensive income to interest expense	$ (734)	$ (1,190)	$ (1,927)
Loss recognized in other expense	$ —	$ —	$ (1)
Total interest expense and other finance expense presented in the Consolidated Statement of Operations in which the effects of cash flow hedges are recorded	$ (29,687)	$ (28,091)	$ (30,414)

NOTE 7 — EQUITY

Common Stock

The Company is authorized to issue up to 500,000,000 shares of common stock, $ 0.01 par value per share. Each outstanding share of our common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors and, except as may be provided with respect to any other class or series of stock, the holders of such shares possess the exclusive voting power.

On May 9, 2017, the Company and the Operating Partnership, entered into an underwriting agreement (the "Underwriting Agreement") with Raymond James & Associates, Inc. and Deutsche Bank Securities Inc., as the representatives of the several underwriters named therein, relating to the issuance and sale of 9,000,000 shares of our common stock at a public offering price of $16.50 per share, less an underwriting discount of $0.66 per share. Pursuant to the terms of the Underwriting Agreement, the Company granted the underwriters a 30 -day option to purchase up to an additional 1,350,000 shares of common stock on the same terms, which the underwriters exercised in full on May 10, 2017. The closing of the offering occurred on May 15, 2017 for net proceeds of $163.8 million , after the underwriting discount and offering-related expenses of $7.0 million .

On May 25, 2017, the Company and the Operating Partnership entered into separate sales agreements (collectively, the "Sales Agreements") with each of Robert W. Baird & Co. Incorporated, Raymond James & Associates, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities Inc., RBC Capital Markets, LLC, KeyBanc Capital Markets Inc., Canaccord Genuity Inc. (this agreement was terminated on September 29, 2017), Jefferies LLC, BB&T Capital Markets, a division of BB&T Securities, LLC, and BTIG, LLC (collectively, the "Sales Agents"), pursuant to which the Company may sell our common stock having an aggregate offering price of up to $200.0 million (the "Shares"), from time to time through the Sales Agents, each acting as a sales agent and/or principal (the "2017 ATM Program"). At the same time, the Company terminated each of the sales agreements entered into in connection with its prior at-the-market offering program, which was established in August 2016 and under which 6,151,514 shares of the Company's common stock were sold for net proceeds of approximately $89.1 million . To date, we have not sold any shares of our common stock under the 2017 ATM Program. During 2017, we incurred costs totaling $0.2 million related to the 2017 ATM Program.

Pursuant to the Sales Agreements, the Shares may be offered and sold through any Sales Agent in transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on the New York Stock Exchange or sales made to or through a market maker other than on an exchange or, with the prior consent of the Company, in privately negotiated transactions. Each Sales Agent will be entitled to compensation equal to 2.0% of the gross proceeds of the Shares sold through such Sales Agent from time to time under the related Sales Agreement. The Company has no obligation to sell any of the Shares under the Sales Agreements and may at any time suspend solicitations and offers under, or terminate, any of the Sales Agreements.

Changes in common stock during the years ended December 31, 2017 and 2016 were as follows:

	2017	2016
Beginning common shares outstanding	93,525,469	86,793,521
Common stock issued	10,350,000	6,151,514
Grants under the Equity Plan	366,679	446,686
Common Unit redemptions	73,322	119,308
Exercise of stock options	—	37,684
Annual grants to independent directors	28,426	32,180
Common stock issued for director fees	4,663	7,618
Forfeitures	(2,320)	(1,420)
Shares retained for employee tax withholding requirements	(59,111)	(61,622)
Ending common shares outstanding	104,287,128	93,525,469

At December 31, 2017 and 2016 , the Company had reserved 15,275,114 and 6,332,307 shares of common stock, respectively, for the issuance of common stock (i) upon the exercise of stock options, issuance of time-based restricted stock awards, issuance of performance-based restricted stock awards, grants of director stock awards, or other awards issued pursuant to our Equity Plan, (ii) upon redemption of Common Units, or (iii) under the 2017 ATM Program.

Preferred Stock

The Company is authorized to issue up to 100,000,000 shares of preferred stock, $ 0.01 par value per share, of which 87,200,000 is currently undesignated and 3,400,000 shares have been designated as 7.125% Series C Cumulative Redeemable Preferred Stock (the “Series C preferred shares”), 3,000,000 shares have been designated as 6.45% Series D Cumulative Redeemable Preferred Stock (the "Series D preferred shares") and 6,400,000 shares have been designated as 6.25% Series E Cumulative Redeemable Preferred Stock (the "Series E preferred shares").

The Company completed the offering of 6,400,000 Series E preferred shares on November 13, 2017 for net proceeds of $154.7 million , after the underwriting discount and offering-related expenses of $5.3 million .

On December 11, 2017, the Company paid $75.2 million to redeem all 3,000,000 of its outstanding Series B preferred shares at a redemption price of $25 per share plus accrued and unpaid dividends.

On February 5, 2018, the Company announced that it will redeem all 3,400,000 of its outstanding Series C preferred shares (See "Note 16 - Subsequent Events" for further details).

The Company's preferred shares (collectively, “Preferred Shares”) rank senior to our common stock and on parity with each other with respect to the payment of dividends and distributions of assets in the event of a liquidation, dissolution, or winding up. The Preferred Shares do not have any maturity date and are not subject to mandatory redemption or sinking fund requirements. The Company may not redeem the Series C preferred shares, Series D preferred shares or Series E preferred shares prior to March 20, 2018, June 28, 2021 and November 13, 2022, respectively, except in limited circumstances relating to the Company’s continuing qualification as a REIT or in connection with certain changes in control. After those dates, the Company may, at its option, redeem the applicable Preferred Shares, in whole or from time to time in part, by payment of $25 per share, plus any accumulated, accrued and unpaid distributions up to, but not including, the date of redemption. If the Company does not exercise its rights to redeem the Preferred Shares upon certain changes in control, the holders of the Preferred Shares have the right to convert some or all of their shares into a number of the Company’s common shares based on a defined formula, subject to a share cap, or alternative consideration. The share cap on each Series C preferred share is 5.1440 shares of common stock, each Series D preferred share is 3.9216 shares of common stock and each Series E preferred share is 3.1686 shares of common stock, all subject to certain adjustments.

The Company pays dividends at an annual rate of $1.78125 for each Series C preferred share, $1.6125 for each Series D preferred share and $1.5625 for each Series E preferred share. Dividend payments are made quarterly in arrears on or about the last day of February, May, August and November of each year.

Non-controlling Interests in Operating Partnership

Pursuant to the limited partnership agreement of our Operating Partnership, the unaffiliated third parties who hold Common Units in our Operating Partnership have the right to cause us to redeem their Common Units in exchange for cash based upon the fair value of an equivalent number of our shares of common stock at the time of redemption; however, the Company has the option to redeem with shares of our common stock on a one-for-one basis. The number of shares of our common stock issuable upon redemption of Common Units may be adjusted upon the occurrence of certain events such as share dividend payments, share subdivisions or combinations.

At December 31, 2017 and 2016 , unaffiliated third parties owned 323,391 and 396,713 , respectively, of Common Units of the Operating Partnership, representing less than a 1% limited partnership interest in the Operating Partnership.

We classify outstanding Common Units held by unaffiliated third parties as non-controlling interests in the Operating Partnership, a component of equity in the Company's Consolidated Balance Sheets. The portion of net income allocated to these Common Units is reported on the Company's Consolidated Statement of Operations as net income attributable to non-controlling interests of the Operating Partnership.

NOTE 8 — FAIR VALUE MEASUREMENT

The following table presents information about our financial instruments measured at fair value on a recurring basis as of December 31, 2017 and 2016 . In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, we classify assets and liabilities based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Disclosures concerning financial instruments measured at fair value are as follows (in thousands):

	Fair Value Measurement at December 31, 2017 using			
	Level 1	Level 2	Level 3	Total
Assets:				
Interest rate swaps	$ —	$ 1,509	$ —	$ 1,509
Purchase options related to real estate loans	—	—	6,078	6,078
Liabilities:				
Interest rate swaps	—	190	—	190

	Fair Value Measurement at December 31, 2016 using			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Interest rate swaps	$ —	$ 1,118	$ —	$ 1,118

Our purchase options do not have readily determinable fair values. The fair value of each purchase option was estimated using a binomial lattice model. The estimated fair values of the purchase options were based on unobservable inputs for which there is little or no market information available and required us to develop our own assumptions as follows (dollar amounts in thousands):

	Real Estate Loan 1	Real Estate Loan 2	Real Estate Loan 3
Exercise price	$ 15,143	$ 17,377	$ 5,503
First option exercise date	12/31/2018	3/31/2019	5/31/2019
Last option exercise date	11/1/2020	12/5/2020	12/1/2020
Expected volatility	32.0%	38.0%	37.0%
Risk free rate	1.7%	1.8%	1.9%
Expected annualized equity dividend yield	6.8%	9.9%	6.5%

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the years ended December 31, 2017 or 2016 .

NOTE 9 — COMMITMENTS AND CONTINGENCIES

Ground Leases

We lease land for one hotel property in Duluth, GA under the terms of an operating ground lease agreement expiring April 1, 2069. We also have two prepaid land leases for two hotel properties in Portland, OR which expire in June of 2084 and have a remaining prepaid balance of $3.2 million and $3.3 million at December 31, 2017 and 2016 , respectively. We have one option to extend these leases for an additional 14 years. We lease land for one hotel property in Houston (Galleria Area), TX under the terms of an operating ground lease agreement with an initial termination date of April 20, 2053 with one option to extend for an additional 10 years. We lease land for one hotel property in Austin, TX with an initial lease termination date of May 31, 2050. We lease land for one hotel property in Baltimore (Hunt Valley), MD with a lease termination date of December 31, 2019 and twelve remaining options to extend for five additional years per extension. Total rent expense for these leases for the years ended December 31, 2017 , 2016 and 2015 was $1.9 million , $1.7 million , and $1.2 million , respectively. Certain of our ground leases contain variable lease payments based on gross receipts or the consumer price index.

Future minimum rental payments for non-cancelable operating leases with a remaining term in excess of one year are as follows (in thousands):

2018	$	2,023
2019		2,055
2020		2,138
2021		2,165
2022		2,070
Thereafter		105,420
	$	115,871

In addition, we lease land for one hotel property in Garden City, NY under a PILOT (payment-in-lieu-of-taxes) lease. We pay a reduced amount of property tax each year of the lease as rent. The lease expires on December 31, 2019. Upon expiration of the lease, we expect to exercise our right to acquire a fee simple interest in the hotel for nominal consideration.

Franchise Agreements

All of our hotel properties operate under franchise agreements with major hotel franchisors. The terms of our franchise agreements generally range from 10 to 20 years with various extension provisions. Each franchisor receives franchise fees ranging from 2% to 6% of each hotel property's gross revenue, and some agreements require that we pay marketing fees of up to 4% of gross revenue. In addition, some of these franchise agreements require that we deposit a percentage of the hotel property's gross revenue, generally not more than 5% , into a reserve fund for capital expenditures. We also pay fees to our franchisors for services such as reservation and information systems. In 2017 , 2016 , and 2015 , we expensed fees related to our franchise agreements of $41.6 million , $37.2 million , and $37.8 million , respectively.

Management Agreements

Our hotel properties operate pursuant to management agreements with various professional third-party management companies. The terms of our management agreements range from three to twenty-five years with various extension provisions. Each management company receives a base management fee, generally a percentage of total hotel property revenues. In some cases there are also monthly fees for certain services, such as accounting, based on the number of guestrooms. Generally there are also incentive fees based on attaining certain financial thresholds. In 2017 , 2016 , and 2015 , we expensed fees related to our hotel management agreements of $18.2 million , $18.8 million , and $ 18.6 million , respectively.

Litigation

We are involved from time to time in litigation arising in the ordinary course of business. We are currently involved in litigation related to the settlement of a contractual obligation related to the purchase of a hotel property in 2012. We have accrued the amount of our expected liability to settle the contractual obligation at December 31, 2017. We are not currently aware of any actions against us that would have a material effect on our financial condition or results of operations.

NOTE 10 — EQUITY-BASED COMPENSATION

Our currently outstanding equity-based awards were issued under our Equity Plan which provides for the granting of stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalent rights, and other equity-based awards or incentive awards.

Stock options granted may be either incentive stock options or non-qualified stock options. Vesting terms may vary with each grant, and stock option terms are generally five to ten years. We have outstanding equity-based awards in the form of stock options and restricted stock awards. All of our outstanding equity-based awards are classified as equity.

Stock Options Granted Under Our Equity Plan

The following table summarizes stock option activity under our Equity Plan:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Terms	Aggregate Intrinsic Value (Current Value Less Exercise Price)
		(per share)	(in years)	(in thousands)
Outstanding at December 31, 2015	470,000	$ 9.75		
Exercised	(235,000)	9.75		
Outstanding at December 31, 2016	235,000	9.75		
Exercised	—	—		
Outstanding at December 31, 2017	235,000	$ 9.75	3.2	$ 1,288
Exercisable at December 31, 2017	235,000	$ 9.75	3.2	$ 1,288

All stock options outstanding at December 31, 2017 vested in prior years. During the years ended December 31, 2016 and 2015 , the total fair value of stock options that vested was $0.3 million and $0.9 million , respectively. The intrinsic value of options exercised during the years ended December 31, 2016 and 2015 was $1.0 million and $1.3 million , respectively. No stock options were exercised during the year ended December 31, 2017.

The intrinsic value of outstanding and exercisable options at December 31, 2017 was $1.3 million . The intrinsic value of outstanding and exercisable options at December 31, 2016 was $1.5 million . At December 31, 2015 , the intrinsic value of outstanding options and exercisable options was $1.0 million and $0.8 million , respectively.

Time-Based Restricted Stock Awards Made Pursuant to Our Equity Plan

On March 6, 2017, we granted time-based restricted stock awards for 16,079 shares of common stock to certain of our non-executive employees. The awards vest over a four -year period based on continued service (20% on March 9, 2018, 2019 and 2020, and 40% on March 9, 2021).

On March 6, 2017, we granted time-based restricted stock awards for 120,024 shares of common stock to our executive officers. On April 18, 2017, we granted a time-based restricted stock award for 20,215 shares of common stock to an executive officer. The awards vest 25% on March 9, 2018, 25% on March 9, 2019 and 50% on March 9, 2020, based on continuous service through the vesting dates or in certain circumstances upon a change in control.

On February 24, 2016, we granted time-based restricted stock awards for 22,010 shares of common stock to certain of our non-executive employees. The awards vest over a four -year period based on continued service (20% on March 9, 2017, 2018 and 2019, and 40% on March 9, 2020).

On March 8, 2016, we granted time-based restricted stock awards for 169,707 shares of common stock to our executive officers. The awards vest 25% on March 9, 2017, 25% on March 9, 2018 and 50% on March 9, 2019, based on continuous service through the vesting dates or in certain circumstances upon a change in control.

On September 2, 2016, we granted time-based restricted stock awards for 406 shares of common stock to certain of our non-executive employees. The awards were forfeited in 2017.

On March 3, 2015, we granted time-based restricted stock awards for 149,410 shares of common stock to our executive officers and management. Of the total awards issued, 37,230 vest based on continued service on March 9, 2018, or upon a change in control. The remaining awards vest over a three year period based on continued service (25% on March 9, 2016 and 2017 and 50% on March 9, 2018), or upon a change in control.

On April 24, 2015, we granted a time-based restricted stock award for 16,930 shares of common stock to one of our executive officers. This award vested during the third quarter of 2015.

The holders of these awards have the right to vote the related shares of common stock and receive all dividends declared and paid whether or not vested. The fair value of time-based restricted stock awards granted is calculated based on the market value of our common stock on the date of grant.

The following table summarizes time-based restricted stock activity under our Equity Plan for 2017 and 2016 :

	Number of Shares	Weighted Average Grant Date Fair Value	Aggregate Current Value
		(per share)	(in thousands)
Non-vested December 31, 2015	250,011	$ 12.03	
Granted	192,123	11.36	
Vested	(82,869)	11.06	
Forfeited	(1,420)	10.27	
Non-vested December 31, 2016	357,845	11.90	
Granted	156,318	15.52	
Vested	(120,366)	11.29	
Forfeited	(2,320)	13.70	
Non-vested December 31, 2017	391,477	$ 13.52	$ 5,962

During the years ended December 31, 2017 , 2016 , and 2015 , the total fair value of time-based restricted stock awards that vested was $1.4 million , $0.9 million and $1.0 million , respectively.

Performance-Based Restricted Stock Awards Made Pursuant to Our Equity Plan

On March 6, 2017, we granted performance-based restricted stock awards for 180,039 shares of common stock to our executive officers. On April 18, 2017, we granted a performance-based restricted stock award for 30,322 shares of common stock to an executive officer. Our performance-based restricted stock awards are market-based awards and are accounted for based on the fair value of our common stock on the grant date. The fair value of the performance-based restricted stock awards granted was estimated using a Monte Carlo simulation valuation model. These awards generally vest based on our percentile ranking within the SNL U.S. REIT Hotel Index at the end of the period beginning on March 6, 2017 and ending on the earlier of March 6, 2020 or upon a change in control. The awards require continued service during the measurement period and are subject to the other conditions described in the Equity Plan or award document unless modified.

On March 8, 2016, we granted performance-based restricted stock awards for 254,563 shares of common stock to our executive officers. Our performance-based restricted stock awards are market-based awards and are accounted for based on the fair value of our common stock on the grant date. The fair value of the performance-based restricted stock awards granted was estimated using a Monte Carlo simulation valuation model. These awards generally vest based on our percentile ranking within the SNL U.S. REIT Hotel Index at the end of the period beginning on March 8, 2016 and ending on the earlier of March 8, 2019 or upon a change in control. The awards require continued service during the measurement period and are subject to the other conditions described in the Equity Plan or award document.

On March 3, 2015, we granted performance-based restricted stock awards for 154,505 shares of common stock to certain of our executive officers. The fair value of the performance-based restricted stock awards granted was estimated using a Monte Carlo simulation valuation model. These awards vest based on our percentile ranking within the SNL U.S. REIT Hotel Index at the end of the period beginning on January 1, 2015 and ending on the earlier of December 31, 2017, or upon a change in control. The awards require continued service during the measurement period and are subject to the other conditions described in the Equity Plan or award document.

The number of shares the executive officers may earn under these awards range from zero shares to twice the number of shares granted based on our percentile ranking within the index at the end of the measurement period. In addition, a portion of the performance-based shares may be earned based on the Company's absolute total shareholder return calculated during the performance period. The holders of these grants have the right to vote the granted shares of common stock and any dividends declared will be accumulated and will be subject to the same vesting conditions as the awards. Further, if additional shares are earned based on our percentile ranking within the index, dividend payments will be issued as if the additional shares had been held throughout the measurement period.

The fair value of performance-based restricted stock awards granted was estimated using a Monte Carlo simulation valuation model and the following assumptions:

	2017	2016	2015
Expected dividend yield	4.14%	4.01%	3.42%
Expected stock price volatility	24.8%	24.2%	22.2%
Risk-free interest rate	1.59%	1.04%	1.02%
Monte Carlo iterations	100,000	100,000	100,000
Weighted average estimated fair value of performance-based restricted stock awards	$ 17.13	$ 13.77	$ 18.78

The expected dividend yield was calculated based on our annual expected dividend payments at the time of grant. The expected volatility was based on historical price changes of our common stock for a period comparable to the performance period. The risk-free interest rates were interpolated from the Federal Reserve Bond Equivalent Yield rates for “on-the-run” U.S. Treasury securities.

The following table summarizes performance-based restricted stock activity under our Equity Plan for 2017 and 2016 :

	Number of Shares	Weighted Average Grant Date Fair Value	Aggregate Current Value
		(per share)	(in thousands)
Non-vested December 31, 2015	308,367	$ 12.95	
Granted	254,563	13.77	
Vested	(113,903)	7.10	
Non-vested December 31, 2016	449,027	14.90	
Granted	210,361	17.13	
Vested	(39,959)	7.12	
Non-vested December 31, 2017	619,429	$ 16.16	$ 9,434

Director Stock Awards Made Pursuant to Our Equity Plan

During the years ended December 31, 2017 and 2016 , we granted 28,426 and 32,180 shares of common stock, respectively, to our non-employee directors as a part of our director compensation program. These grants were made pursuant to our Equity Plan and were vested upon grant.

Our non-employee directors have the option to receive shares of our common stock in lieu of cash for their director fees. In 2017 and 2016 , we issued 4,663 and 7,618 shares of common stock, respectively, for director fees. The fair value of director stock awards is calculated based on the market value of our common stock on the date of grant.

Equity-Based Compensation Expense

Equity-based compensation expense included in Corporate General and Administrative expense in the Consolidated Statements of Operations for the years ended December 31, 2017 , 2016 , and 2015 was as follows (in thousands):

	2017	2016	2015
Stock options	$ —	$ 55	$ 633
Time-based restricted stock	2,145	1,594	1,691
Performance-based restricted stock	3,183	2,107	1,957
Director stock	559	465	472
	$ 5,887	$ 4,221	$ 4,753

We recognize equity-based compensation expense ratably over the vesting terms. The amount of expense may be subject to adjustment in future periods due to a change in the forfeiture assumptions.

Unrecognized equity-based compensation expense for all non-vested awards pursuant to our Equity Plan was $6.7 million at December 31, 2017 as follows (in thousands):

	Total	2018	2019	2020	2021
Time-based restricted stock	$ 2,741	$ 1,599	$ 945	$ 187	$ 10
Performance-based restricted stock	3,976	2,374	1,401	201	—
	$ 6,717	$ 3,973	$ 2,346	$ 388	$ 10

NOTE 11 — BENEFIT PLANS

On August 1, 2011, we initiated a qualified contributory retirement plan (the "Plan") under Section 401(k) of the IRC, which covers all full-time employees who meet certain eligibility requirements. Voluntary contributions may be made to the Plan by employees. The Plan is a Safe Harbor Plan and requires a mandatory employer contribution. The employer contribution expense for the years ended December 31, 2017 , 2016 and 2015 was $0.2 million , $0.3 million , and $0.2 million , respectively.

NOTE 12 — LOSS ON IMPAIRMENT OF ASSETS

At December 31, 2016, we were under contract to sell the Courtyard by Marriott in El Paso, TX for $11.0 million . We recorded a loss on impairment of assets of $0.6 million related to this transaction during 2016. On June 2, 2017, we completed the sale of this hotel property, which was the final hotel under contract for sale to HIT, to a third-party purchaser that is unrelated to HIT. The sale of this property resulted in the realization of a net gain of $0.4 million during the year ended December 31, 2017.

During the year ended December 31, 2015, we determined that the value of land parcels in San Antonio, TX, Fort Myers, FL and Flagstaff, AZ were impaired based on market conditions. As such, we recognized a loss on impairment of assets of $1.1 million in our Consolidated Statement of Operations.

NOTE 13 — INCOME TAXES

We have elected to be taxed as a REIT. As a REIT, we are generally not subject to corporate level income taxes on taxable income we distribute to our shareholders. We believe we have met the annual REIT distribution requirement by distribution of at least 90% of our taxable income to our shareholders.

Income related to our TRS is subject to federal, state and local taxes at applicable tax rates. Our consolidated tax provision includes the income tax provision related to the operations of the TRS as well as state and local income taxes related to the Operating Partnership.

The components of income tax expense (benefit) for the years ended December 31, 2017 , 2016 , and 2015 are as follows (in thousands):

	2017	2016	2015
Current:			
Federal	$ 10	$ 37	$ 81
State and local	777	904	408
Deferred:			
Federal	232	(1,918)	(159)
State and local	49	(473)	223
Effect of federal tax law change	606	—	—
Income tax expense (benefit)	$ 1,674	$ (1,450)	$ 553

As of December 31, 2017, the Company has remeasured its net deferred tax assets as a result of the TCJA resulting in a $0.6 million discrete, non-cash tax expense recorded in the fourth quarter of 2017. The provisional remeasurement amount may change as data becomes available allowing more accurate scheduling of the deferred tax assets and liabilities.

We are still in the process of evaluating the income tax effect of other changes required by the TCJA that will be effective for our fiscal year 2018.

Below is a reconciliation between the provision for income taxes and the amounts computed by applying the federal statutory income tax rate to the income or loss before taxes:

	2017	2016	2015
Statutory federal income tax provision	$ 35,418	$ 37,384	$ 44,033
Nontaxable income of the REIT	(35,073)	(38,575)	(41,619)
Impact of graduated corporate tax rates	(10)	34	(69)
State income taxes, net of federal tax benefit	716	548	817
Provision to return and deferred adjustment	—	(872)	—
Effect of permanent differences and other	17	31	(161)
Effect of federal tax law change	606	—	—
Decrease in valuation allowance	—	—	(2,448)
Income tax provision (benefit)	$ 1,674	$ (1,450)	$ 553

Deferred tax assets and liabilities are included within Other Assets in the accompanying Consolidated Balance Sheets.
Significant components of deferred tax assets (liabilities) are as follows (in thousands):

	2017	2016
Tax carryforwards	$ 449	$ 767
Accrued expenses	1,144	1,744
Other	23	(8)
Net deferred tax assets	$ 1,616	$ 2,503
Gross deferred tax assets	$ 1,649	$ 2,580
Gross deferred tax liabilities	(33)	(77)
Net deferred tax assets	$ 1,616	$ 2,503

At December 31, 2017, we had (i) U.S. federal net operating losses of $0.4 million which expire in 2033 (ii) state net operating losses of $1.8 million which expire beginning in 2027 and (iii) federal minimum tax credits of $0.3 million which do not expire.

We had no unrecognized tax benefits at December 31, 2017 or in the three year period then ended. The Company recognizes interest expense and penalties associated with uncertain tax positions as a component of income tax expense. We have no material interest or penalties relating to unrecognized tax benefits in the Consolidated Statements of Operations for the years ended December 31, 2017 , 2016 or 2015 or in the Consolidated Balance Sheets as of December 31, 2017 or 2016 .

We file U.S. and state income tax returns in jurisdictions with varying statutes of limitations. We currently have no open audits related to our income tax returns. In general, we are not subject to tax examinations by tax authorities for years before 2014.

NOTE 14 — EARNINGS PER SHARE

We apply the two-class method of computing earnings per share, which requires the calculation of separate earnings per share amounts for our non-vested time-based restricted stock awards with non-forfeitable dividends and for our common stock. Our non-vested time-based restricted stock awards with non-forfeitable rights to dividends are considered securities which participate in undistributed earnings with common stock. Under the two-class computation method, net losses are not allocated to participating securities unless the holder of the security has a contractual obligation to share in the losses. Our non-vested time-based restricted stock awards with non-forfeitable dividends do not have such an obligation so they are not allocated losses.

All outstanding stock options were included in the computation of diluted earnings per share for the years ended December 31, 2017 , 2016 and 2015 due to their dilutive effect. The Common Units held by the non-controlling interest holders have been excluded from the denominator of the diluted earnings per share as there would be no effect on the amounts since the limited partners' share of income would also be added to derive net income attributable to common stockholders. For the years ended December 31, 2017, 2016, and 2015, we had unvested performance-based restricted stock awards of 464,924 shares, 409,068 shares and 194,463 shares, respectively, which were excluded from the denominator of the diluted earnings per share as the awards had not achieved the requisite performance conditions for vesting at each period end.

Below is a summary of the components used to calculate basic and diluted earnings per share (in thousands, except per share amounts):

	2017	2016	2015
Numerator:			
Income from continuing operations	$ 99,521	$ 108,261	$ 125,256
Less: Preferred dividends	(17,408)	(18,232)	(16,588)
Premium on redemption of preferred stock	(2,572)	(2,125)	—
Allocation to participating securities	(307)	(342)	(118)
Attributable to non-controlling interest	(307)	(456)	(819)
Net income attributable to common stockholders, net of amount allocated to participating securities	$ 78,927	$ 87,106	$ 107,731
Denominator:			
Weighted average common shares outstanding - basic	99,406	86,874	85,920
Dilutive effect of equity-based compensation awards	374	469	1,224
Weighted average common shares outstanding - diluted	99,780	87,343	87,144
Earnings per share:			
Basic	$ 0.79	$ 1.00	$ 1.25
Diluted	$ 0.79	$ 1.00	$ 1.24

NOTE 15 — SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Selected quarterly financial data for the years ended December 31, 2017 and 2016 are as follows (in thousands, except per share amounts):

	2017			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenues	$ 117,989	$ 129,056	$ 136,587	$ 131,745
Net income	$ 33,206	$ 34,083	$ 22,445	$ 9,787
Net income attributable to Summit Hotel Properties, Inc.	$ 33,086	$ 33,969	$ 22,390	$ 9,769
Earnings per share:				
Basic	$ 0.31	$ 0.30	$ 0.18	$ 0.02
Diluted	$ 0.31	$ 0.30	$ 0.17	$ 0.02

	2016			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenues	$ 118,082	$ 127,195	$ 118,336	$ 110,322
Net income	$ 48,734	$ 21,955	$ 27,198	$ 10,374
Net income attributable to Summit Hotel Properties, Inc.	$ 48,485	$ 21,865	$ 27,083	$ 10,372
Earnings per share:				
Basic and diluted	$ 0.51	$ 0.20	$ 0.25	$ 0.04

NOTE 16 — SUBSEQUENT EVENTS

Equity Transactions

On January 1, 2018, the performance-based restricted stock awards granted on March 3, 2015 vested. Based on our percentile ranking within the SNL U.S. REIT Hotel Index for the measurement period, the executive officers earned twice the number of shares granted in accordance with the provisions of the Equity Plan. The executive officers were also entitled to dividends as if the additional shares had been outstanding throughout the measurement period. As a result of this vesting, we issued a total of 309,010 shares to our executive officers and paid dividends totaling $0.5 million .

As previously reported on the Current Report on Form 8-K filed by the Company on November 13, 2017, Gregory A. Dowell, Executive Vice President and Chief Financial Officer of the Company, notified the Company of his intent to retire from the Company effective March 31, 2018 (the “Retirement Date”). On January 24, 2018, in connection with Mr. Dowell’s planned retirement, the Company entered into a separation agreement and mutual general release agreement with Mr. Dowell (the “Initial Agreement”). On the Retirement Date, in connection with Mr. Dowell’s planned retirement, the Company and Mr. Dowell will enter into a Supplemental Mutual General Release Agreement (the “Supplemental Agreement”). In addition, on the Retirement Date, in connection with Mr. Dowell’s planned retirement, the Company and Mr. Dowell will enter into amendments to those two certain Stock Award Agreements (performance-based shares), dated March 8, 2016 and March 6, 2017, respectively, between the Company and Mr. Dowell (collectively the “Performance Awards”), to remove the requirement that Mr. Dowell remain employed by the Company to continue to be eligible to receive any shares that may vest.

The Initial Agreement, the Supplemental Agreement and the Amendments collectively provide or will provide, as the case may be, for the following: (i) accelerated vesting on the Retirement Date of all unvested service-based restricted shares of common stock previously awarded to Mr. Dowell pursuant to those two certain Stock Award Agreements (service-based shares), dated March 8, 2016 and March 6, 2017, between the Company and Mr. Dowell; (ii) the opportunity to earn unvested performance-based restricted shares of common stock in 2019 and 2020 based on the Company’s total shareholder return in accordance with the previously reported Performance Awards; (iii) a release by each party of all claims against the other party; and (iv) customary confidentiality, non-disparagement, non-compete and non-solicitation covenants.

On February 5, 2018, our Board of Directors declared cash dividends of $0.18 per share of common stock, $0.4453125 per share of 7.125% Series C Cumulative Redeemable Preferred Stock, $0.403125 per share of 6.45% Series D Cumulative

Redeemable Preferred Stock, and $0.390625 per share of 6.25% Series E Cumulative Redeemable Preferred Stock. These dividends are payable February 28, 2018 to stockholders of record on February 16, 2018.

On February 5, 2018, the Company announced that it will redeem all 3,400,000 of its outstanding Series C preferred shares, at a redemption price for each Series C preferred share of $25.00 plus accrued and unpaid dividends per share to, but not including, the redemption date of March 20, 2018.

Debt Transactions

On February 15, 2018, our Operating Partnership, as borrower, the Company, as parent guarantor, and each party executing term loan documentation as a subsidiary guarantor, entered into a new $225.0 million unsecured term loan (the "2018 Term Loan"). The 2018 Term Loan has an accordion feature that allows us to increase the total commitments by $150.0 million prior to the maturity date of February 14, 2025, subject to certain conditions, and a delayed draw feature that allows us to delay principal advances until May 16, 2018, at no additional cost. At closing, we drew $140.0 million of the $225.0 million available under the 2018 Term Loan and used the proceeds to pay off and replace the 2015 Term Loan.

We pay interest on advances at varying rates, based upon, at our option, either (i) 1, 2, 3, or 6-month LIBOR, plus a LIBOR margin between 1.80% and 2.55% , depending upon our leverage ratio (as defined in the loan documents), or (ii) the applicable base rate, which is the greatest of the administrative agent's prime rate, the federal funds rate plus 0.50% , and 1-month LIBOR plus 1.00% , plus a base rate margin between 0.80% and 1.55% , depending upon our leverage ratio. We are required to pay other fees, including customary arrangement and administrative fees. The 2018 Term Loan was entered into with KeyBank National Association, as administrative agent, Regions Bank, Raymond James Bank, N.A., PNC Bank, National Association, Capital One, and BB&T, as co-syndication agents, and KeyBanc Capital Markets Inc., Regions Capital Markets, Raymond James Bank, N.A., PNC Capital Markets, LLC, Capital One, National Association and Branch Banking and Trust Company as co-lead arrangers.

Financial and Other Covenants . In addition, we are required to comply with a series of financial and other covenants in order to draw and maintain borrowings under the 2018 Term Loan.

Unencumbered Assets . The 2018 Term Loan is unsecured. However, borrowings under the term loan are limited by the value of the assets that qualify as unencumbered assets. As of February 15, 2018, the 50 unencumbered properties also supported the 2018 Term Loan.

SUMMIT HOTEL PROPERTIES, INC
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2017
(in thousands)

Location	Franchise	Year Acquired/ Constructed	Initial Cost		Cost Capitalized Subsequent to Acquisition	Total Cost				Total Cost Net of Accumulated Depreciation	Mortgage Debt	
			Land	Building & Improvements	Land, Building & Improvements	Land	Building & Improvements	Total	Accumulated Depreciation			
Aliso Viejo, CA	Homewood Suites	2017	$ 5,599	$ 32,367	$ 140	$ 5,599	$ 32,508	$ 38,107	$ (1,101)	$ 37,006	$ —	
Arlington, TX	Hyatt Place	2012	650	9,946	249	650	10,195	10,845	(3,313)	7,532	—	(1)
Arlington, TX	Courtyard	2012	1,497	15,573	(98)	1,497	15,475	16,972	(3,072)	13,900	22,773	(1)
Arlington, TX	Residence Inn	2012	1,646	15,440	(186)	1,646	15,254	16,900	(2,578)	14,322	—	
Asheville, NC	Hotel Indigo	2015	2,100	34,755	730	2,100	35,485	37,585	(3,476)	34,109	—	
Atlanta, GA	Courtyard	2012	2,050	27,969	96	2,050	28,065	30,115	(5,994)	24,121	—	
Atlanta, GA	Residence Inn	2016	3,381	34,820	165	3,381	34,985	38,366	(2,369)	35,997	—	
Atlanta, GA	AC Hotel	2017	5,670	51,922	159	5,670	52,081	57,751	(931)	56,820	—	
Austin, TX	Hampton Inn & Suites	2014	— (2)	56,394	770	—	57,164	57,164	(6,610)	50,554	—	
Baltimore, MD	Hampton Inn & Suites	2017	2,205	16,013	224	2,205	16,237	18,442	(680)	17,762	—	
Baltimore, MD	Residence Inn	2017	1,986	37,016	629	1,986	37,645	39,631	(1,406)	38,225	—	
Austin, TX	Corporate Office	2017	—	6,048	—	—	6,048	6,048	(731)	5,317	—	
Birmingham, AL	Hilton Garden Inn	2012	1,400	9,131	160	1,400	9,291	10,691	(2,982)	7,709	4,926	(1)
Birmingham, AL	Hilton Garden Inn	2012	1,400	12,021	45	1,400	12,066	13,466	(3,063)	10,403	5,769	(1)
Bloomington, MN	SpringHill Suites	2007	1,658	14,761	34	1,658	14,795	16,453	(4,768)	11,685	—	
Bloomington, MN	Hampton Inn & Suites	2007	1,658	15,223	70	1,658	15,293	16,951	(5,202)	11,749	—	
Boulder, CO	Marriott	2016	11,115	49,204	4,011	11,115	53,215	64,330	(2,902)	61,428	—	
Branchburg, NJ	Residence Inn	2015	2,374	24,411	191	2,374	24,602	26,976	(2,503)	24,473	—	
Brisbane, CA	DoubleTree	2014	3,300	39,686	652	3,300	40,338	43,638	(7,675)	35,963	—	
Camarillo, CA	Hampton Inn & Suites	2013	2,200	17,366	109	2,200	17,475	19,675	(3,476)	16,199	—	(1)
Charleston, WV	Country Inn & Suites	2001	1,042	5,175	23	1,042	5,198	6,240	(2,478)	3,762	—	
Charleston, WV	Holiday Inn Express	2001	907	5,053	20	907	5,073	5,980	(2,479)	3,501	—	
Charlotte, NC	Courtyard	2017	—	41,094	146	—	41,240	41,240	(894)	40,346	—	
Chicago, IL	Hyatt Place	2016	5,395	68,355	77	5,395	68,432	73,827	(3,613)	70,214	—	
Cleveland, OH	Residence Inn	2017	10,075	33,340	18	10,075	33,358	43,433	(155)	43,278	—	
Decatur, GA	Courtyard	2015	4,046	34,151	726	4,046	34,877	38,923	(3,441)	35,482	—	
Duluth, GA	Holiday Inn	2011	— (2)	7,466	61	—	7,527	7,527	(2,132)	5,395	—	
Duluth, GA	Hilton Garden Inn	2011	2,200	12,694	129	2,200	12,823	15,023	(3,709)	11,314	—	
Eden Prairie, MN	Hilton Garden Inn	2013	1,800	11,211	85	1,800	11,296	13,096	(2,721)	10,375	—	
Englewood, CO	Hyatt Place	2012	2,000	11,950	(646)	2,000	11,304	13,304	(2,843)	10,461	—	(1)
Englewood, CO	Hyatt House	2012	2,700	16,267	83	2,700	16,350	19,050	(4,591)	14,459	—	(1)
Fort Lauderdale, FL	Courtyard	2017	37,950	47,002	265	37,950	47,267	85,217	(1,481)	83,736	—	
Fort Myers, FL	Hyatt Place	2009	1,878	12,666	954	1,878	13,620	15,498	(2,840)	12,658	—	
Fort Worth, TX	Courtyard	2017	1,920	38,070	345	1,920	38,416	40,336	(1,145)	39,191	—	
Garden City, NY (3)	Hyatt Place	2012	4,200	27,775	42	4,200	27,817	32,017	(3,874)	28,143	—	
Glendale, CO	Staybridge Suites	2011	2,100	10,151	227	2,100	10,378	12,478	(2,647)	9,831	—	

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(in thousands)

Location	Franchise	Year Acquired/ Constructed	Initial Cost		Cost Capitalized Subsequent to Acquisition	Total Cost					Mortgage Debt	
			Land	Building & Improvements	Land, Building & Improvements	Land	Building & Improvements	Total	Accumulated Depreciation	Total Cost Net of Accumulated Depreciation		
Goleta, CA	Hampton Inn	2014	$ 4,100	$ 26,191	$ 905	$ 4,100	$ 27,096	$ 31,196	$ (3,449)	$ 27,747	$ 11,019	(1)
Greenville, SC	Hilton Garden Inn	2013	1,200	14,566	2,291	1,200	16,857	18,057	(2,704)	15,353	—	(1)
Hoffman Estates, IL	Hyatt Place	2013	1,900	8,917	44	1,900	8,961	10,861	(2,690)	8,171	20,211	(1)
Houston, TX	Hilton Garden Inn	2014	— (2)	41,838	406	—	42,244	42,244	(7,143)	35,101	—	
Houston, TX	Hilton Garden Inn	2014	2,800	33,777	775	2,800	34,552	37,352	(3,496)	33,856	16,431	(1)
Hunt Valley, MD	Residence Inn	2015	— (2)	35,436	105	—	35,541	35,541	(3,421)	32,120	—	
Indianapolis, IN	SpringHill Suites	2013	4,012	27,910	88	4,012	27,998	32,010	(4,251)	27,759	40,015	(1)
Indianapolis, IN	Courtyard	2013	7,788	54,384	(659)	7,788	53,725	61,513	(8,158)	53,355	—	(1)
Kansas City, MO	Courtyard	2017	3,955	20,608	286	3,955	20,894	24,849	(582)	24,267	—	
Lombard, IL	Hyatt Place	2012	1,550	17,351	61	1,550	17,412	18,962	(4,695)	14,267	26,928	(1)
Lone Tree, CO	Hyatt Place	2012	1,300	11,704	85	1,300	11,789	13,089	(3,700)	9,389	—	(1)
Louisville, KY	Fairfield Inn & Suites	2013	3,120	24,231	73	3,120	24,304	27,424	(5,005)	22,419	36,093	(1)
Louisville, KY	SpringHill Suites	2013	4,880	37,361	283	4,880	37,644	42,524	(8,095)	34,429	—	(1)
Mesa, AZ	Hyatt Place	2017	2,400	19,848	312	2,400	20,160	22,560	(1,147)	21,413	—	(1)
Metairie, LA	Courtyard	2013	1,860	25,168	139	1,860	25,307	27,167	(5,607)	21,560	—	(1)
Metairie, LA	Residence Inn	2013	1,791	23,386	93	1,791	23,479	25,270	(4,804)	20,466	—	(1)
Miami, FL	Hyatt House	2015	4,926	40,087	147	4,926	40,234	45,160	(3,417)	41,743	—	
Minneapolis, MN	Hyatt Place	2013	—	34,026	491	—	34,517	34,517	(5,326)	29,191	—	
Minneapolis, MN	Hampton Inn & Suites	2015	3,502	35,433	19	3,502	35,452	38,954	(4,690)	34,264	—	
Minnetonka, MN	Holiday Inn Express & Suites	2013	1,000	7,662	107	1,000	7,769	8,769	(1,998)	6,771	—	
Nashville, TN	SpringHill Suites	2004	777	5,598	146	777	5,744	6,521	(3,143)	3,378	—	
Nashville, TN	Courtyard	2016	8,792	62,759	281	8,792	63,040	71,832	(4,297)	67,535	—	
New Haven, CT	Courtyard	2017	11,990	51,497	3	11,990	51,500	63,490	(173)	63,317	—	
New Orleans, LA	Courtyard	2013	1,944	25,120	3,382	1,944	28,502	30,446	(6,059)	24,387	—	
New Orleans, LA	Courtyard	2013	2,490	34,220	337	2,490	34,557	37,047	(7,752)	29,295	—	
New Orleans, LA	SpringHill Suites	2013	2,046	33,270	6,769	2,046	40,039	42,085	(6,644)	35,441	23,130	(1)
Norwood, MA	Hampton Inn	2015	2,000	23,922	(853)	2,000	23,069	25,069	(2,548)	22,521	—	
Orlando, FL	Hyatt Place	2013	3,100	11,343	134	3,100	11,477	14,577	(3,893)	10,684	—	(1)
Orlando, FL	Hyatt Place	2013	2,716	11,221	140	2,716	11,361	14,077	(3,838)	10,239	—	(1)
Orlando, FL	Hyatt House		2,800	20,993	—	2,800	20,993	23,793	—	23,793	—	
Owings Mills, MD	Hyatt Place	2012	2,100	9,799	(481)	2,100	9,318	11,418	(2,298)	9,120	20,877	(1)
Phoenix, AZ	Hyatt Place	2012	582	5,147	(141)	582	5,006	5,588	(1,071)	4,517	—	
Pittsburgh, PA	Courtyard	2017	1,652	40,749	211	1,652	40,960	42,612	(875)	41,737	—	
Portland, OR	Hyatt Place	2009	— (2)	14,700	15	—	14,715	14,715	(3,187)	11,528	—	
Portland, OR	Residence Inn	2009	— (2)	15,629	111	—	15,740	15,740	(4,088)	11,652	18,046	(1)
Poway, CA	Hampton Inn & Suites	2013	2,300	14,728	1,041	2,300	15,769	18,069	(2,059)	16,010	—	(1)
Provo, UT	Hampton Inn	1996	909	5,016	31	909	5,047	5,956	(2,782)	3,174	—	

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			Land	Building & Improvements	Land, Building & Improvements	Land	Building & Improvements	Total	Accumulated Depreciation			
Salt Lake City, UT	Residence Inn	2012	$ 2,392	$ 24,719	$ 247	$ 2,392	$ 24,966	$ 27,358	$ (6,254)	$ 21,104	$ 47,640	(1)
San Francisco, CA	Holiday Inn Express & Suites	2013	15,545	49,469	1,317	15,545	50,786	66,331	(10,654)	55,677	—	
San Francisco, CA	Four Points	2014	1,200	21,397	102	1,200	21,499	22,699	(4,317)	18,382	—	(1)
Sandy, UT	Holiday Inn Express & Suites	1998	720	3,205	46	720	3,251	3,971	(1,708)	2,263	35,865	(1)
Scottsdale, AZ	Hyatt Place	2012	1,500	10,171	(636)	1,500	9,535	11,035	(2,242)	8,793	—	(1)
Scottsdale, AZ	Courtyard	2003	3,225	12,571	358	3,225	12,929	16,154	(5,740)	10,414	8,701	(1)
Scottsdale, AZ	SpringHill Suites	2003	2,195	9,496	134	2,195	9,630	11,825	(4,784)	7,041	4,685	(1)
Smyrna, TN	Hampton Inn & Suites	2012	1,145	9,285	96	1,145	9,381	10,526	(2,563)	7,963	—	
Smyrna, TN	Hilton Garden Inn	2012	1,188	12,411	239	1,188	12,650	13,838	(2,938)	10,900	—	
Tampa, FL	Hampton Inn & Suites	2012	3,600	20,366	335	3,600	20,701	24,301	(3,614)	20,687	—	(1)
Tucson, AZ	Homewood Suites	2017	2,570	22,802	22	2,570	22,824	25,394	(118)	25,276	—	
Waltham, MA	Hilton Garden Inn	2017	10,644	21,713	26	10,644	21,739	32,383	(174)	32,209	—	
Land Parcels	Land Parcels		8,105	—	(2,545)	5,559	—	5,559	—	5,559	—	
			$ 282,413	$ 2,045,686	$ 27,623	$ 279,867	$ 2,075,856	$ 2,355,723	$ (290,066)	$ 2,065,657	$ 343,109	

(1) Properties cross-collateralize the related loan, refer to "Note 5 - Debt" in the Consolidated Financial Statements.
(2) Properties subject to ground lease, refer to "Note 9 - Commitments and Contingencies" in the Consolidated Financial Statements.
(3) Property subject to a PILOT lease, refer to "Note 9 - Commitments and Contingencies" in the Consolidated Financial Statements.

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(in thousands)

(a) **ASSET BASIS**

	2017	2016	2015
Reconciliation of land, buildings and improvements:			
Balance at beginning of period	$ 1,848,673	$ 1,683,803	$ 1,527,569
Additions to land, buildings and improvements	636,389	290,486	273,902
Disposition of land, buildings and improvements	(129,339)	(125,039)	(116,553)
Impairment loss	—	(577)	(1,115)
Balance at end of period	$ 2,355,723	$ 1,848,673	$ 1,683,803

(b) **ACCUMULATED DEPRECIATION**

	2017	2016	2015
Reconciliation of accumulated depreciation:			
Balance at beginning of period	$ 241,760	$ 212,207	$ 179,455
Depreciation	85,524	72,063	63,675
Depreciation on assets sold or disposed	(37,218)	(42,510)	(30,923)
Balance at end of period	$ 290,066	$ 241,760	$ 212,207

(c) The aggregate cost of land, buildings, furniture and equipment for Federal income tax purposes is approximately $2,137.1 million .

(d) Depreciation is computed based upon the following useful lives:

Buildings and improvements 6 - 40 years
Furniture and equipment 2 - 15 years

(e) We have mortgages payable on the properties as noted. Additional mortgage information can be found in "Note 5 - Debt" to the Consolidated Financial Statements.

(f) The negative balance for costs capitalized subsequent to acquisition include out-parcels sold, disposal of assets, and recorded impairment losses.

EIGHTH AMENDMENT TO THE FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF SUMMIT HOTEL OP, LP

December 14, 2017

Pursuant to Article XI of the First Amended and Restated Agreement of Limited Partnership of Summit Hotel OP, LP (the "Initial Partnership Agreement"), as amended by the First Amendment to the Initial Partnership Agreement, dated as of October 26, 2011 (the "First Amendment"), as further amended by the Second Amendment to the Initial Partnership Agreement, dated as of April 11, 2012 (the "Second Amendment"), as further amended by the Third Amendment to the Initial Partnership Agreement, dated as of December 7, 2012 (the "Third Amendment"), as further amended by the Fourth Amendment to the Initial Partnership Agreement, dated as of March 20, 2013, as further amended by the Fifth Amendment to the Initial Partnership Agreement, dated as of June 24, 2106 (the "Fifth Amendment"), as further amended by the Sixth Amendment to the Initial Partnership Agreement, dated as of August 2, 2016, (the "Sixth Amendment"), as further amended by the Seventh Amendment to the Initial Partnership Agreement, dated as of November 8, 2017, (the "Seventh Amendment" and, together with the Initial Partnership Agreement, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment and the Seventh Amendment, the "Partnership Agreement"), the General Partner hereby amends the Partnership Agreement as follows:

1. Table of Contents Section 10.05 . The term "Tax Matters Partner" in Section 10.05 of the Table of Contents is deleted in its entirety and replaced with "Tax Matters Person".

2. Tax Matters Partner . The defined term "Tax Matters Partner" in Article I is deleted in its entirety and the following new defined term is inserted in its place:

"Tax Matters Partner" means the "tax matters partner," as defined in Section 6231(a)(7) of the Code (as in effect prior to the enactment of the Bipartisan Budget Act of 2015 (P.L. 114-74)), and for taxable years beginning on or after January 1, 2018, the "partnership representative," as referred to in Section 6223(a) of the Code (as in effect following the enactment of the Bipartisan Budget Act of 2015 (P.L. 114-74)) and Treasury Regulations thereunder.

3. 10.05 Tax Matters Partner; Tax Elections; Special Basis Adjustments . Article 10, Section 10.05 of the Partnership Agreement is hereby deleted in its entirety and the following new Section 10.05 is inserted in its place:

10.05 Tax Matters Person; Tax Elections; Special Basis Adjustments .

(a) The General Partner shall be the Tax Matters Person of the Partnership. As Tax Matters Person, the General Partner shall have the right and obligation to take all actions authorized and required, respectively, by the Code and the Treasury Regulations thereunder for the Tax Matters Person and may take any action contemplated by Sections 6222 through 6241 of the Code and Treasury Regulations thereunder. The General Partner shall have the right to retain professional assistance in respect of any audit of the Partnership by the Service and all out-of-pocket expenses and fees incurred by the General Partner on behalf of the Partnership as Tax Matters Person shall constitute Partnership expenses. In the event the General Partner receives notice of a final Partnership adjustment under Section 6231(a)(3) of the Code, the General Partner shall either (i) file a court petition for judicial review of such final adjustment within the period provided under Section 6234(a) of the Code, a copy of which petition shall be mailed to all Limited Partners on the date such petition is filed, or (ii) mail a written notice to all Limited Partners, within such period, that describes the General Partner's reasons for determining not to file such a petition. Upon request, each Limited Partner shall fully cooperate with the Tax Matters Person in its efforts to resolve audits and to minimize any tax return adjustments made, or additional liabilities imposed, as a result of audits.

(b) All elections required or permitted to be made by the Partnership under the Code or any applicable state or local tax law shall be made by the General Partner in its sole and absolute discretion.

(c) In the event of a transfer of all or any part of the Partnership Interest of any Partner, the Partnership, at the option of the General Partner, may elect pursuant to Section 754 of the Code to adjust the basis of the Properties. Notwithstanding anything contained in Article V of this Agreement, any adjustments made pursuant to Section 754 shall affect only the successor in interest to the transferring Partner and in no event shall be taken into account in establishing, maintaining or computing Capital Accounts for the other Partners for any purpose under this Agreement. Each Partner will furnish the Partnership with all information necessary to give effect to such election.

(d) The Partners, intending to be legally bound, hereby authorize the Partnership to make an election (the " **Safe Harbor Election** ") to have the "liquidation value" safe harbor provided in Proposed Treasury Regulation § 1.83-3(1) and the Proposed Revenue Procedure set forth in Internal Revenue Service Notice 2005-43, as such safe harbor may be modified when such proposed guidance is issued in final form or as amended by subsequently issued guidance (the " **Safe Harbor** "), apply to any interest in the Partnership transferred to a service provider while the Safe Harbor Election remains effective, to the extent such interest meets the Safe Harbor requirements (collectively, such interests are referred to as " **Safe Harbor Interests** "). The Tax Matters Person is authorized and directed to execute and file the Safe Harbor Election on behalf of the Partnership and the Partners. The Partnership and the Partners

(including any person to whom an interest in the Partnership is transferred in connection with the performance of services) hereby agree to comply with all requirements of the Safe Harbor (including forfeiture allocations) with respect to all Safe Harbor Interests and to prepare and file all U.S. federal income tax returns reporting the tax consequences of the issuance and vesting of Safe Harbor Interests consistent with such final Safe Harbor guidance. The Partnership is also authorized to take such actions as are necessary to achieve, under the Safe Harbor, the effect that the election and compliance with all requirements of the Safe Harbor referred to above would be intended to achieve under Proposed Treasury Regulation § 1.83-3, including amending this Agreement.

(e) Each Limited Partner shall be required to provide such information as reasonably requested by the Partnership in order to determine whether such Limited Partner (i) owns, directly or constructively (within the meaning of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code and Section 7704(d)(3) of the Code), five percent (5%) or more of the of the value of the Partnership or (ii) owns, directly or constructively (within the meaning of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code and Section 7704(d)(3) of the Code), ten percent (10%) or more of (a) the stock, by voting power or value, of a tenant (other than a "taxable REIT subsidiary" within the meaning of Section 856(d) of the Code) of the Partnership that is a corporation or (b) the assets or net profits of a tenant of the Partnership that is a noncorporate entity.

4. General Partnership Interest . The defined term "General Partnership Interest" in Article I is deleted in its entirety and the following new defined term is inserted in its place:

" **General Partnership Interest** " means the Partnership Interest held by the General Partner in its capacity as the general partner of the Partnership, which Partnership Interest is an interest as a general partner under the Act. The General Partnership Interest may be a number of Common Units held by the General Partner equal to but not exceeding one-tenth of one percent (0.1%) of all outstanding Partnership Units. All other Partnership Units owned by the General Partner and any Partnership Units owned by any Affiliate or Subsidiary of the General Partner shall be considered to constitute a Limited Partnership Interest.

5. Except as modified herein, all terms and conditions of the Partnership Agreement shall remain in full force and effect, which terms and conditions the General Partner hereby ratifies and confirms.

IN WITNESS WHEREOF, the undersigned has executed this Amendment as of the date first set forth above.

GENERAL PARTNER:

SUMMIT HOTEL GP, LLC

a Delaware limited liability company

By: Summit Hotel Properties, Inc.

a Maryland corporation, its sole member

By: /s/ Christopher R. Eng

Name: Christopher Eng

Title: EVP, General Counsel, Chief Risk Officer & Secretary

FIRST AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of February 15, 2018

among

SUMMIT HOTEL OP, LP,

as Borrower,

SUMMIT HOTEL PROPERTIES, INC.,

as Parent Guarantor,

THE OTHER GUARANTORS NAMED HEREIN,

as Subsidiary Guarantors,

THE INITIAL LENDERS NAMED HEREIN,

as Initial Lenders,

KEYBANK NATIONAL ASSOCIATION,

as Administrative Agent,

REGIONS BANK,

RAYMOND JAMES BANK, N.A.,

PNC BANK, NATIONAL ASSOCIATION,

CAPITAL ONE, NATIONAL ASSOCIATION,

and

BRANCH BANKING AND TRUST COMPANY,

as Co-Syndication Agents,

and

KEYBANC CAPITAL MARKETS, INC.,

as Sole Bookrunner,

KEYBANC CAPITAL MARKETS, INC.,

REGIONS CAPITAL MARKETS,

RAYMOND JAMES BANK, N.A.,

PNC CAPITAL MARKETS LLC,

CAPITAL ONE, NATIONAL ASSOCIATION,

and

BRANCH BANKING AND TRUST COMPANY,

as Joint Lead Arrangers

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FIRST AMENDED AND RESTATED CREDIT AGREEMENT

FIRST AMENDED AND RESTATED CREDIT AGREEMENT dated as of February 15, 2018 (this " ***Agreement*** ") among SUMMIT HOTEL OP, LP, a Delaware limited partnership (the " ***Borrower*** "), SUMMIT HOTEL PROPERTIES, INC., a Maryland corporation (the " ***Parent*** " or the " ***Parent Guarantor*** "), the entities listed on the signature pages hereof as the subsidiary guarantors (together with any Additional Guarantors (as hereinafter defined) acceding hereto pursuant to Section 5.01(j), 5.01(x) or 7.05, the "Subsidiary Guarantors" and, together with the Parent Guarantor, the " ***Guarantors*** "), the banks, financial institutions and other institutional lenders listed on the signature pages hereof as the initial lenders (the " ***Initial Lenders*** "), KEYBANK NATIONAL ASSOCIATION (" ***KeyBank*** "), as administrative agent (together with any successor administrative agent appointed pursuant to Article VIII, the " ***Administrative Agent*** " or " ***Agent*** ") for the Lender Parties (as hereinafter defined), REGIONS BANK, RAYMOND JAMES BANK, N.A., PNC BANK, NATIONAL ASSOCIATION, CAPITAL ONE, NATIONAL ASSOCIATION AND BRANCH BANKING AND TRUST COMPANY, as co-syndication agents, and KEYBANC CAPITAL MARKETS, INC. (" ***KCM*** "), as Sole Bookrunner, and KCM, REGIONS CAPITAL MARKETS, RAYMOND JAMES BANK, N.A., PNC CAPITAL MARKETS LLC, CAPITAL ONE, NATIONAL ASSOCIATION and BRANCH BANKING AND TRUST COMPANY, collectively as joint lead arrangers (collectively, the " ***Joint Lead Arrangers*** ").

PRELIMINARY STATEMENTS:

The Borrower, the Parent Guarantor, the other guarantors named therein, Administrative Agent, and certain of the Lenders have entered into that certain Credit Agreement dated as of April 7, 2015, as amended by that certain First Amendment to Credit Agreement dated as of December 21, 2015, that certain Second Amendment to Credit Agreement dated as of January 15, 2016, and that certain Third Amendment to Credit Agreement dated as of September 26, 2017 (as amended, the " ***Original Credit Agreement*** ").

The Borrower, the Administrative Agent and the Lenders have agreed to amend and restate the Original Credit Agreement on the terms and subject to the conditions hereinafter set forth.

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.16 Certain Defined Terms . As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

" ***Acceding Lender*** " has the meaning specified in Section 2.17(d).

" ***Accession Agreement*** " has the meaning specified in Section 2.17(d)(i).

" ***Additional Margin Amounts*** " has the meaning specified in the definition of Applicable Margin.

" ***Additional Guarantor*** " has the meaning specified in Section 7.05.

" ***Adjusted Consolidated EBITDA*** " means Consolidated EBITDA for the consecutive four fiscal quarters of the Parent Guarantor most recently ended for which financial statements are required to be delivered to the Lender Parties pursuant to Section 5.03(b) or (c), as the case may be, minus an amount equal to the aggregate Deemed FF&E Reserves for all Consolidated Assets owned by the Parent Guarantor and its Consolidated Subsidiaries.

" ***Adjusted Net Operating Income*** " or " ***Adjusted NOI*** " means, with respect to any Unencumbered Asset, (a) the Net Operating Income attributable to such Unencumbered Asset less (b) the Deemed FF&E Reserve for such Unencumbered Asset, less (c) the Deemed Management Fee for such Unencumbered Asset, in each case for the consecutive four fiscal quarters most recently ended for which financial statements are required to be delivered to the Lender Parties pursuant to Section 5.03(b) or (c), as the case may be.

" ***Administrative Agent*** " has the meaning specified in the recital of parties to this Agreement.

" ***Administrative Agent's Account*** " means such account or accounts as the Administrative Agent shall specify in writing to the Lender Parties or the Borrower, as applicable.

" ***Administrative Agent's Head Office*** " means the Administrative Agent's head office located at 127 Public Square, Cleveland, Ohio 44114-1306, or at such other location as the Administrative Agent may designate from time to time by written notice to the Borrower and the Lenders.

" ***Advance*** " means a Term Loan Advance.

" ***Affiliate*** " means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 35% or more of the Voting Interests of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Interests, by contract or otherwise.

" ***Agreement*** " has the meaning specified in the recital of parties to this Agreement.

" ***Agreement Value*** " means, for each Hedge Agreement, on any date of determination, an amount determined by the Administrative Agent equal to: (a) in the case of a Hedge Agreement documented pursuant to the Master Agreement (Multicurrency-Cross Border) published by the International Swap and Derivatives Association, Inc. (the " ***Master Agreement*** "), the amount, if any, that would be payable by any Loan Party or any of its Subsidiaries to its counterparty to such Hedge Agreement, as if (i) such Hedge Agreement was being terminated early on such date of determination, (ii) such Loan Party or Subsidiary was the sole "Affected Party", and (iii) the Administrative Agent was the sole party determining such payment amount (with the Administrative Agent making such determination pursuant to the provisions of the form of Master Agreement); or (b) in the case of a Hedge Agreement traded on an exchange, the mark-to-market value of such Hedge Agreement, which will be the unrealized loss on such Hedge Agreement to the Loan Party or Subsidiary of a Loan Party to such Hedge Agreement determined by the Administrative Agent based on the

settlement price of such Hedge Agreement on such date of determination; or (c) in all other cases, the mark-to-market value of such Hedge Agreement, which will be the unrealized loss on such Hedge Agreement to the Loan Party or Subsidiary of a Loan Party to such Hedge Agreement determined by the Administrative Agent as the amount, if any, by which (i) the present value of the future cash flows to be paid by such Loan Party or Subsidiary exceeds (ii) the present value of the future cash flows to be received by such Loan Party or Subsidiary pursuant to such Hedge Agreement; capitalized terms used and not otherwise defined in this definition shall have the respective meanings set forth in the above described Master Agreement.

" ***Applicable Lending Office*** " means, with respect to each Lender Party, such Lender Party's Domestic Lending Office in the case of a Base Rate Advance and such Lender Party's Eurodollar Lending Office in the case of a Eurodollar Rate Advance.

" ***Applicable Margin*** " means, at any date of determination, a percentage per annum determined by reference to the Leverage Ratio as set forth below:

Pricing Level	Leverage Ratio	Applicable Margin for Base Rate Advances	Applicable Margin for Eurodollar Rate Advances
I	< 4.0:1.0	0.80%	1.80%
II	≥ 4.0:1.0, but < 4.5:1.0	0.85%	1.85%
III	≥ 4.5:1.0 but < 5.0:1.0	0.90%	1.90%
IV	≥ 5.0:1.0, but < 5.5:1.0	1.05%	2.05%
V	≥ 5.5:1.0, but < 6.0:1.0	1.25%	2.25%
VI	≥ 6.0:1.0	1.55%	2.55%

The Applicable Margin for each Base Rate Advance shall be determined by reference to the Leverage Ratio in effect from time to time and the Applicable Margin for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing shall be determined by reference to the Leverage Ratio in effect on the first day of such Interest Period; *provided, however* , that (a) the Applicable Margin shall initially be at Pricing Level II on the Closing Date based on the certificate delivered pursuant to Section 3.01(a)(xv), (b) no change in the Applicable Margin resulting from the Leverage Ratio shall be effective until three Business Days after the date on which the Administrative Agent receives (i) the financial statements required to be delivered pursuant to Section 5.03(b) or (c), as the case may be, and (ii) a certificate of the Chief Financial Officer (or other Responsible Officer performing similar functions) of the Borrower demonstrating the Leverage Ratio, (c) the Applicable Margin shall be at Pricing Level VI during any period that an increase in the maximum ratio of Consolidated Unsecured Indebtedness of the Parent Guarantor to Unencumbered Asset Value in accordance with the proviso in Section 5.04(b)(i) is in effect, and (d) the Applicable Margin shall be at Pricing Level VI for so long as the Borrower has not submitted to the Administrative Agent as and when required under Section 5.03(b) or (c), as applicable, the information described in clause (b) of this proviso. If (i) the Leverage Ratio used to determine the Applicable Margin for any period is incorrect as a result of any error, misstatement or misrepresentation contained in any financial statement or certificate delivered pursuant to Section 5.03(b) or (c), and (ii) as a result thereof, the Applicable Margin paid to the Lenders, at any

time pursuant to this Agreement is lower than the Applicable Margin that would have been payable to the Lenders, had the Applicable Margin been calculated on the basis of the correct Leverage Ratio, the Applicable Margin in respect of such period will be adjusted upwards automatically and retroactively, and the Borrower shall pay to each Lender such additional amounts (" ***Additional Margin Amounts*** ") as are necessary so that after receipt of such amounts such Lender receives an amount equal to the amount it would have received had the Applicable Margin been calculated during such period on the basis of the correct Leverage Ratio. Additional Margin Amounts shall be payable within (10) days after delivery by the Administrative Agent to the Borrower of a notice (which shall be conclusive and binding absent manifest error) setting forth in reasonable detail the Administrative Agent's calculation of the amount of any Additional Margin Amounts owed to the Lenders. The payment of Additional Margin Amounts pursuant to this Agreement shall be in addition to, and not in limitation of, any other amounts payable by the Borrower pursuant to the Loan Documents.

" ***Approved Electronic Communications*** " means each Communication that any Loan Party is obligated to, or otherwise chooses to, provide to the Administrative Agent pursuant to any Loan Document or the transactions contemplated therein, including any financial statement, financial and other report, notice, request, certificate and other information materials required to be delivered pursuant to Sections 5.03(b), (c), (e), (g), and (k); *provided, however* , that solely with respect to delivery of any such Communication by any Loan Party to the Administrative Agent and without limiting or otherwise affecting either the Administrative Agent's right to effect delivery of such Communication by posting such Communication to the Approved Electronic Platform or the protections afforded hereby to the Administrative Agent in connection with any such posting, "Approved Electronic Communication" shall exclude (i) any notice of borrowing, request for delayed draw, notice of conversion or continuation, and any other notice, demand, communication, information, document and other material relating to a request for a new, or a conversion of an existing, Borrowing, (ii) any notice pursuant to Section 2.06(a) and any other notice relating to the payment of any principal or other amount due under any Loan Document prior to the scheduled date therefor, (iii) all notices of any Default or Event of Default and (iv) any notice, demand, communication, information, document and other material required to be delivered to satisfy any of the conditions set forth in Article III or any other condition to any Borrowing or other extension of credit hereunder or any condition precedent to the effectiveness of this Agreement.

" ***Approved Electronic Platform*** " has the meaning specified in Section 9.02(c).

" ***Approved Franchisor*** " means, with respect to any Hotel Asset, a nationally recognized hotel brand franchisor that has entered into a written franchise agreement (i) substantially in the form customarily used by such franchisor at such time or (ii) in form and substance reasonably satisfactory to the Administrative Agent. The Administrative Agent confirms that each of the existing franchisors of the Hotel Assets shown on Schedule Part IV of Schedule 4.01(p) hereto are satisfactory to the Administrative Agent and shall be considered an Approved Franchisor.

" ***Approved Manager*** " means a nationally recognized hotel manager (a) with (or controlled by a Person or Persons with) at least ten years of experience in the management of limited service, select service and full service hotels that have been rated "upscale", "upper midscale" or "midscale"

or better by Smith Travel Research and (b) that is engaged pursuant to a written management agreement. The Administrative Agent confirms that as of the Closing Date the existing managers of the Hotel Assets shown on Schedule III hereto are satisfactory to the Administrative Agent and are deemed Approved Managers. For purposes of this definition, the term "control" (including the term "controlled by") of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Interests, by contract or otherwise.

" ***Assets*** " means Hotel Assets, Development Assets and Joint Venture Assets.

" ***Assignment and Acceptance*** " means an assignment and acceptance entered into by a Lender Party and an Eligible Assignee, and accepted by the Administrative Agent, in accordance with Section 9.07 and in substantially the form of Exhibit E hereto.

" ***Assumed Unsecured Interest Expense*** " means the greater of (a) the actual Interest Expense on Unsecured Indebtedness of the Parent Guarantor and its Consolidated Subsidiaries, or (b) the outstanding principal balance of all Unsecured Indebtedness of the Parent Guarantor and its Consolidated Subsidiaries, multiplied by the greater of (i) the sum of the one month LIBOR as of the last day of the most recent fiscal quarter plus the Applicable Margin, or (ii) 6.00%, in each case for the consecutive four fiscal quarters most recently ended for which financial statements are required to be delivered to the Lender Parties pursuant to Section 5.03(b) or (c).

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

" ***Bail-In Legislation*** " means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

" ***Bankruptcy Law*** " means any applicable law governing a proceeding of the type referred to in Section 6.01(f) or Title 11, U.S. Code, or any similar foreign, federal or state law for the relief of debtors.

" ***Base Rate*** " means the greatest of (a) the fluctuating annual rate of interest announced from time to time by the Administrative Agent at the Administrative Agent's Head Office as its "prime rate", (b) one half of one percent (0.5%) above the Federal Funds Rate, or (c) the then applicable Eurodollar Rate for an Interest Period of one month plus one percent (1%). The Base Rate is a reference rate and does not necessarily represent the lowest or best rate being charged to any customer. Any change in the rate of interest payable hereunder resulting from a change in the Base Rate shall become effective as of the opening of business on the Business Day on which such change in the Base Rate becomes effective, without notice or demand of any kind.

" ***Base Rate Advance*** " means an Advance that bears interest as provided in Section 2.07(a)(i).

" ***Borrower*** " has the meaning specified in the recital of parties to this Agreement.

" ***Borrower's Account*** " means the account of the Borrower maintained by the Borrower with U.S. Bank, N.A., 777 East Wisconsin Avenue, Milwaukee, WI 53202, ABA No. 075000022, Account No. XXXXXXXX3155 or such other account as the Borrower shall specify in writing to the Administrative Agent.

" ***Borrowing*** " means a borrowing consisting of simultaneous Term Loan Advances of the same Type made by the Lenders.

" ***Business Day*** " means a day of the year on which banks are not required or authorized by law to close in Cleveland, Ohio and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

" ***Capitalization Rate*** " means (i) 7.50% for any Assets located in the central business districts of New York, Washington D.C., San Francisco, Boston, Chicago or Los Angeles, and (ii) 7.75% for all other Assets.

" ***Capitalized Leases*** " means all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases.

" ***Cash Equivalents*** " means any of the following, to the extent owned by the applicable Loan Party or any of its Subsidiaries free and clear of all Liens and having a maturity of not greater than 90 days from the date of issuance thereof: (a) readily marketable direct obligations of the Government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the Government of the United States, (b) certificates of deposit of or time deposits with any commercial bank that is a Lender Party or a member of the Federal Reserve System, which issues (or the parent of which issues) commercial paper rated as described in clause (c) below, is organized under the laws of the United States or any State thereof and has combined capital and surplus of at least $1,000,000,000 or (c) commercial paper in an aggregate amount of not more than $50,000,000 per issuer outstanding at any time, issued by any corporation organized under the laws of any State of the United States and rated at least "Prime 1" (or the then equivalent grade) by Moody's or "A 1" (or the then equivalent grade) by S&P.

" ***CERCLA*** " means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time.

" ***CERCLIS*** " means the Comprehensive Environmental Response, Compensation and Liability Information System maintained by the U.S. Environmental Protection Agency.

" ***Change of Control*** " means the occurrence of any of the following: (a) any Person or two or more Persons acting in concert shall have acquired and shall continue to have following the date hereof beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of Voting Interests of the Parent Guarantor (or other securities convertible into such Voting Interests) representing 35%

or more of the combined voting power of all Voting Interests of the Parent Guarantor; or (b) there is a change in the composition of the Parent Guarantor's Board of Directors over a period of 24 consecutive months (or less) such that a majority of Board members (rounded up to the nearest whole number) ceases, by reason of one or more proxy contests for the election of Board members, to be comprised of individuals who either (i) have been Board members continuously since the beginning of such period or (ii) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (i) who were still in office at the time such election or nomination was approved by the Board; or (c) any Person or two or more Persons acting in concert shall have acquired and shall continue to have following the date hereof, by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation will result in its or their acquisition of the power to direct, directly or indirectly, the management or policies of the Parent Guarantor; or (d) the Parent Guarantor ceases to be the sole member of and the direct legal and beneficial owner of all of the limited liability company interests in, Summit Hotel GP, LLC and/or Summit Hotel GP, LLC ceases to be the sole general partner of and the direct legal and beneficial owner of all of the general partnership interests in, the Borrower or (e) the Parent Guarantor ceases to be the direct or indirect beneficial owner of more than 60% of the limited partnership interests in the Borrower; or (f) the Parent Guarantor shall create, incur, assume or suffer to exist any Lien on the Equity Interests in the Borrower owned by it; or (g) the Borrower ceases to be the direct or indirect legal and beneficial owner of all of the Equity Interests in each direct and indirect Subsidiary that owns or leases an Unencumbered Asset; or (h) the Borrower ceases to be the direct legal and beneficial owner of all of the Equity Interests in TRS Holdco; or (i) TRS Holdco ceases to be the direct legal and beneficial owner of all of the Equity Interests in each TRS Lessee.

" ***Closing Date*** " means February 15, 2018 or such other date as may be agreed upon by the Borrower and the Administrative Agent.

" ***Closing Authorizing Resolution*** " has the meaning specified in Section 3.01(a)(v).

" ***Commodity Exchange Act*** " means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

" ***Commitment*** " means a Term Loan Commitment.

" ***Commitment Date*** " has the meaning specified in Section 2.17(b).

" ***Commitment Increase*** " has the meaning specified in Section 2.17(a).

" ***Communications*** " means each notice, demand, communication, information, document and other material provided for hereunder or under any other Loan Document or otherwise transmitted between the parties hereto relating this Agreement, the other Loan Documents, any Loan Party or its Affiliates, or the transactions contemplated by this Agreement or the other Loan Documents including, without limitation, all Approved Electronic Communications.

" ***Consent Request Date*** " has the meaning specified in Section 9.01(b).

" ***Consolidated*** " refers to the consolidation of accounts in accordance with GAAP.

" ***Consolidated EBITDA*** " means, for the most recently completed four fiscal quarters, without duplication, for the Parent Guarantor and its Consolidated Subsidiaries, Consolidated net income or loss for such period, *plus* (w) the sum of (i) to the extent actually deducted in determining said Consolidated net income or loss, Consolidated Interest Expense, minority interest and provision for taxes for such period (excluding, however, Consolidated Interest Expense and taxes attributable to unconsolidated subsidiaries of the Parent Guarantor and any of its Subsidiaries), (ii) the amount of all amortization of intangibles and depreciation that were deducted determining Consolidated net income or loss for such period, (iii) any non-recurring non-cash charges (including one-time non-cash impairment charges) in such period to the extent that such non-cash charges (A) do not give rise to a liability that would be required to be reflected on the Consolidated balance sheet of the Parent Guarantor (and so long as no cash payments or cash expenses will be associated therewith (whether in the current period or for any future period)) and (B) were deducted in determining Consolidated net income or loss for such period, and (iv) any other non-recurring charges in such period, *minus* (x) to the extent included in determining Consolidated net income or loss for such period, the amount of non-recurring non-cash gains during such period, *plus* (y) with respect to each Joint Venture, the JV Pro Rata Share of the sum of (i) to the extent actually deducted in determining said Consolidated net income or loss, Consolidated Interest Expense, minority interest and provision for taxes for such period, (ii) the amount of all amortization of intangibles and depreciation that were deducted determining Consolidated net income or loss for such period, (iii) any non-recurring non-cash charges (including one-time non-cash impairment charges) in such period to the extent that such non-cash charges (A) do not give rise to a liability that would be required to be reflected on the Consolidated balance sheet of the Parent Guarantor (and so long as no cash payments or cash expenses will be associated therewith (whether in the current period or for any future period)) and (B) were deducted in determining Consolidated net income or loss for such period, and (iv) any other non-recurring charges in such period, *minus* (z) to the extent included in determining Consolidated net income or loss for such period, the amount of non-recurring non-cash gains during such period, in each case of such Joint Venture determined on a Consolidated basis and in accordance with GAAP for such four fiscal quarter period; *provided* that Consolidated EBITDA shall be determined without giving effect to any extraordinary gains or losses (including any taxes attributable to any such extraordinary gains or losses) or gains or losses (including any taxes attributable to such gains or losses) from sales of assets other than from sales of inventory (excluding Real Property) in the ordinary course of business; *provided further* that for purposes of this definition, in the case of any acquisition or disposition of any direct or indirect interest in any Asset (including through the acquisition or disposition of Equity Interests) by the Parent Guarantor or any of its Subsidiaries during such four fiscal quarter period, Consolidated EBITDA will be adjusted (1) in the case of an acquisition, by adding thereto an amount equal to (A) in the case of an acquired Asset that is a newly constructed Hotel Asset with no operating history, the Pro Forma EBITDA, if any, of such Asset, or (B) in the case of any other acquired Asset, such acquired Asset's actual Consolidated EBITDA (computed as if such Asset was owned by the Parent Guarantor or one of its Subsidiaries for the entire four fiscal quarter period) generated during the portion of such four fiscal quarter period that such Asset was not owned by the Parent Guarantor or such Subsidiary and (2) in the case of a disposition, by subtracting therefrom an amount equal to the actual Consolidated EBITDA generated by the Asset so disposed of during such four fiscal quarter period;

provided further that in the case of Hotel Asset that shall be repositioned by means of a change of hotel brand franchisor and where such Asset is fully closed for renovations, upon the re-opening of such Asset, all Consolidated EBITDA allocable to such Asset prior to the re-opening shall be excluded from the calculation of Consolidated EBITDA and instead Consolidated EBITDA will be increased by the amount of Pro Forma EBITDA of such Asset, if any, (it being understood, for the avoidance of doubt, that such Asset's actual Consolidated EBITDA from (including) and after the re-opening date shall not be excluded); *provided further still* that no more than 10% of Consolidated EBITDA shall be Pro Forma EBITDA (provided, that to the extent such limitation is exceeded, the amount of such Pro Forma EBITDA shall be removed from the calculation of Consolidated EBITDA to the extent of such excess).

" ***Consolidated Fixed Charge Coverage Ratio*** " means, at any date of determination, the ratio of (a) Adjusted Consolidated EBITDA to (b) Consolidated Fixed Charges, in each case, of the Parent Guarantor and its Subsidiaries for the consecutive four fiscal quarters of the Parent Guarantor most recently ended for which financial statements are required to be delivered to the Lender Parties pursuant to Section 5.03(b) or (c), as the case may be.

" ***Consolidated Fixed Charges*** " means, for the most recently completed four fiscal quarters, for the Parent Guarantor and its Consolidated Subsidiaries, the sum (without duplication) of (i) Consolidated Interest Expense for such period, plus (ii) the scheduled principal amount of all amortization payments (but not final balloon payments at maturity) for such period on all Consolidated Indebtedness; plus (iii) distributions on Preferred Interests payable by the Borrower for such period and distributions made by the Borrower in such period for the purpose of paying dividends on Preferred Interests issued by the Parent Guarantor.

" ***Consolidated Indebtedness*** " means, at any time, the Indebtedness of the Parent Guarantor and its Consolidated Subsidiaries; *provided, however* , that Consolidated Indebtedness shall also include, without duplication, the JV Pro Rata Share of Indebtedness for each Joint Venture.

" ***Consolidated Interest Expense*** " means, for the most recently completed four fiscal quarters, the sum of (a) the aggregate cash interest expense of the Parent Guarantor and its Subsidiaries for such period, as determined in accordance with GAAP, including capitalized interest and the portion of any payments made in respect of capitalized lease liabilities allocable to interest expense, but excluding (i) deferred financing costs, (ii) other non-cash interest expense and (iii) any capitalized interest relating to construction financing for an Asset to the extent an interest reserve or a loan "holdback" is maintained in respect of such capitalized interest pursuant to the terms of such financing as reasonably approved by the Administrative Agent, plus (b) such Persons' JV Pro Rata Share of the items described in clause (a) above of its Joint Ventures for such period.

" ***Consolidated Tangible Net Worth*** " means, as of a given date, the stockholders' equity of the Parent Guarantor and its Subsidiaries determined on a Consolidated basis *plus* accumulated depreciation and amortization, *minus* (to the extent included when determining such stockholders' equity): (a) the amount of any write-up in the book value of any assets reflected in any balance sheet resulting from revaluation thereof or any write-up in excess of the cost of such assets acquired, and (b) the aggregate of all amounts appearing on the assets side of any such balance sheet for franchises, licenses, permits, patents, patent applications, copyrights, trademarks, service marks,

trade names, goodwill, treasury stock, experimental or organizational expenses and other like assets which would be classified as intangible assets under GAAP, all determined on a Consolidated basis.

" ***Consolidated Unsecured Indebtedness*** " means, at any time, the Unsecured Indebtedness of Parent Guarantor and its Subsidiaries.

" ***Contingent Obligation*** " means, with respect to any Person, any Obligation or arrangement of such Person to guarantee or intended to guarantee any Indebtedness, leases, dividends or other payment Obligations (" ***primary obligations*** ") of any other Person (the " ***primary obligor*** ") in any manner, whether directly or indirectly, including, without limitation, (a) the direct or indirect guarantee, endorsement (other than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the Obligation of a primary obligor, (b) the Obligation to make take-or-pay or similar payments, if required, regardless of nonperformance by any other party or parties to an agreement or (c) any Obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, assets, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such Person may be liable pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder), as determined by such Person in good faith.

" ***Conversion*** ", " ***Convert*** " and " ***Converted*** " each refer to a conversion of Advances of one Type into Advances of the other Type pursuant to Section 2.07(d), 2.09 or 2.10.

" ***Customary Carve-Out Agreement*** " has the meaning specified in the definition of Non-Recourse Debt.

" ***Debt for Borrowed Money*** " of any Person means all items that, in accordance with GAAP, would be classified as indebtedness on a Consolidated balance sheet of such Person; *provided, however* , that in the case of the Parent Guarantor and its Subsidiaries "Debt for Borrowed Money" shall also include, without duplication, the JV Pro Rata Share of Debt for Borrowed Money for each Joint Venture; *provided* further that as used in the definition of "Consolidated Fixed Charge Coverage Ratio", in the case of any acquisition or disposition of any direct or indirect interest in any Asset (including through the acquisition or disposition of Equity Interests) by the Parent Guarantor or any of its Subsidiaries during the consecutive four fiscal quarters of the Parent Guarantor most recently ended for which financial statements are required to be delivered to the Lender Parties pursuant to Section 5.03(b) or (c), as the case may be, the term "Debt for Borrowed Money" (a) shall include, in the case of an acquisition, any Debt for Borrowed Money directly

relating to such Asset existing immediately following such acquisition computed as if such indebtedness also existed for the portion of such period that such Asset was not owned by the Parent Guarantor or such Subsidiary, and (b) shall exclude, in the case of a disposition, for such period any Debt for Borrowed Money to which such Asset was subject to the extent such Debt for Borrowed Money was repaid or otherwise terminated upon the disposition of such Asset.

" ***Debtor Relief Laws*** " means any Bankruptcy Law, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

" ***Debtor Subsidiary*** " has the meaning specified in Section 6.01(f).

" ***Deemed FF&E Reserve*** " means, with respect to any Asset or Assets for the consecutive four fiscal quarters most recently ended, an amount equal to 4% of the Gross Hotel Revenues for such fiscal period.

" ***Deemed Management Fee*** " means, with respect to any Asset for the consecutive four fiscal quarters most recently ended, the greater of (i) an amount equal to 3.0% of the Gross Hotel Revenues of such Asset for such fiscal period and (ii) all actual management fees payable in respect of such Asset during such fiscal period.

" ***Default*** " means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

" ***Default Rate*** " means a rate equal to 2% per annum above the rate per annum required to be paid on Base Rate Advances pursuant to Section 2.07(a)(i).

" ***Defaulting Lender*** " means, subject to Section 9.10(b), any Lender that (a) has failed to (i) fund all or any portion of its Commitments within two Business Days of the date any such Commitment was required to be funded by such Lender hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's good faith determination that one or more conditions precedent to funding the Advance has not been satisfied (which conditions precedent, together with the applicable default, if any, shall be specifically identified in such notice) or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lenders' obligation to fund a Commitment hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with the applicable default, if any, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within two Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the

Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Person. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 9.10(a)) upon delivery of written notice of such determination to the Borrower and each Lender.

" ***Delayed Draw*** " has the meaning set forth in Section 2.01(a).

" ***Designated Person*** " has the meaning specified in Section 4.01(x).

" ***Development Assets*** " means all Real Property acquired for development into Hotel Assets that, in accordance with GAAP, would be classified as development property on a Consolidated balance sheet of the Parent Guarantor and its Subsidiaries.

" ***Dividend Payout Ratio*** " means, at any date of determination, the ratio, expressed as a percentage, of (a) the sum of, without duplication, all dividends paid by the Parent Guarantor on account of any common stock or preferred stock of the Parent Guarantor, except dividends payable solely in additional Equity Interests of the same class, to (b) Funds From Operations, in each case for the four consecutive fiscal quarters of the Parent Guarantor most recently ended.

" ***Domestic Lending Office*** " means, with respect to any Lender Party, the office of such Lender Party specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender Party, as the case may be, or such other office of such Lender Party as such Lender Party may from time to time specify to the Borrower and the Administrative Agent.

" ***ECP*** " means an eligible contract participant as defined in the Commodity Exchange Act.

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

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

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

" ***Eligible Assignee*** " means (i) a Lender; (ii) an Affiliate or Fund Affiliate of a Lender; (iii) a commercial bank organized under the laws of the United States, or any State thereof, respectively, and having total assets in excess of $500,000,000; (iv) a savings and loan association or savings bank organized under the laws of the United States or any State thereof, and having total assets in excess of $500,000,000; (v) a commercial bank organized under the laws of any other country that is a member of the OECD or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow, or a political subdivision of any such country, and having total assets in excess of $500,000,000, so long as such bank is acting through a branch or agency located in the United States; (vi) the central bank of any country that is a member of the OECD; (vii) a finance company, insurance company or other financial institution or fund (whether a corporation, partnership, trust or other entity) that is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and having total assets in excess of $500,000,000; and (viii) any other Person approved by the Administrative Agent, and, unless a Default has occurred and is continuing at the time any assignment is effected pursuant to Section 9.07, approved by the Borrower, each such approval not to be unreasonably withheld or delayed; provided, however, that neither any Loan Party nor any Affiliate of a Loan Party shall qualify as an Eligible Assignee under this definition; and provided further that that neither a Defaulting Lender nor any Affiliate of a Defaulting Lender nor any natural person shall qualify as an Eligible Assignee under this definition.

" ***Environmental Action*** " means any enforcement action, suit, demand, demand letter, claim of liability, notice of non-compliance or violation, notice of liability or potential liability, investigation, enforcement proceeding, consent order or consent agreement relating in any way to any Environmental Law, any Environmental Permit or Hazardous Material or arising from alleged injury or threat to health, safety or the environment, including, without limitation, (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory authority or third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

" ***Environmental Law*** " means any Federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, writ, judgment, injunction, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

" ***Environmental Permit*** " means any permit, approval, identification number, license or other authorization required under any Environmental Law.

" ***Equity Interests*** " means, with respect to any Person, shares of capital stock of (or other ownership or profit interests in) such Person, warrants, options or other rights for the purchase or other acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or other acquisition from such Person of such shares (or such other interests), and other ownership or profit interests in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are authorized or otherwise existing on any date of determination.

" ***ERISA*** " means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

" ***ERISA Affiliate*** " means any Person that for purposes of Title IV of ERISA is a member of the controlled group of any Loan Party, or under common control with any Loan Party, within the meaning of Section 414 of the Internal Revenue Code.

" ***ERISA Event*** " means (a)(i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC or (ii) the requirements of Section 4043(b) of ERISA apply with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days; (b) the application for a minimum funding waiver with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of any Loan Party or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e) the withdrawal by any Loan Party or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for imposition of a lien under Section 303(k) of ERISA shall have been met with respect to any Plan; or (g) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, such Plan.

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

" ***Eurocurrency Liabilities*** " has the meaning specified in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

" ***Eurodollar Lending Office*** " means, with respect to any Lender Party, the office of such Lender Party specified as its "Eurodollar Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender Party (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender Party as such Lender Party may from time to time specify to the Borrower and the Administrative Agent.

" ***Eurodollar Rate*** " means, for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing, the greater of (a) zero percent (0%) and (b) the rate as shown in Reuters Screen LIBOR 01 Page (or any successor service, or if such Person no longer reports such rate as determined by Administrative Agent, by another commercially available source providing such quotations approved by Administrative Agent) (in each case, the " ***LIBOR Screen Rate*** ") at which deposits in U.S. dollars are offered by first class banks in the London Interbank Market at approximately 11:00 a.m. (London time) on the day that is two (2) Business Days prior to the first day of such Interest Period with a maturity approximately equal to such Interest Period and in an amount approximately equal to the amount to which such Interest Period relates, adjusted for reserves and taxes if required by future regulations. If such service or such other Person approved by Administrative Agent described above no longer reports such rate or Administrative Agent determines in good faith that the rate so reported no longer accurately reflects the rate available to Administrative Agent in the London Interbank Market, Eurodollar Rate Advances shall subject to Section 2.07(d) accrue interest at the Base Rate plus the Applicable Margin for Base Rate Advances. For any period during which a Eurodollar Rate Percentage shall apply, the Eurodollar Rate with respect to Eurodollar Rate Advances shall be equal to the amount determined above divided by an amount equal to 1 minus the Eurodollar Rate Reserve Percentage.

" ***Eurodollar Rate Advance*** " means an Advance that bears interest as provided in Section 2.07(a)(ii).

" ***Eurodollar Rate Reserve Percentage*** " means, for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing, the reserve percentage applicable three Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in Cleveland, Ohio with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Rate Advances is determined) having a term equal to such Interest Period.

" ***Events of Default*** " has the meaning specified in Section 6.01.

" ***Excluded Swap Obligation*** " means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason not to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time the Guaranty of such Guarantor becomes effective with respect to such related Swap Obligation.

" ***Excluded Taxes*** " has the meaning specified in Section 2.12(a).

" ***Existing Debt*** " means Indebtedness of each Loan Party and its Subsidiaries outstanding on the Closing Date.

" ***Existing Credit Agreement*** " means collectively (i) that certain Credit Agreement, dated as of January 15, 2016, among Borrower, Parent Guarantor, the other guarantors party thereto, Deutsche Bank AG New York Branch, as administrative agent, and the other lenders party thereto, as amended, supplemented or otherwise modified to date, and (ii) that certain Credit Agreement, dated as of September 26, 2017, among Borrower, Parent Guarantor, the other guarantors party thereto, KeyBank, as administrative agent, and the other lenders party thereto, as amended, supplemented or otherwise modified to date.

" ***Facility*** " means the Term Loan Facility.

" ***Facility Exposure*** " means, at any date of determination, the sum of (a) the aggregate principal amount of all outstanding Advances, plus (b) all Obligations of the Loan Parties in respect of Guaranteed Hedge Agreements, valued at the Agreement Value thereof.

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

" ***Federal Funds Rate*** " means, for any period, the rate per annum (rounded upward to the nearest one-hundredth of one percent (1/100 of 1%)) announced by the Federal Reserve Bank of Cleveland on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the " ***Federal Funds Effective Rate*** ."

" ***Fee Letter*** " means collectively (a) the fee letter dated as of January 17, 2018 among the Parent Guarantor, KeyBank and KCM, and (b) each other fee letter among the Parent Guarantor and a Joint Lead Arranger, as the same may be amended from time to time.

" ***FF&E*** " means all "furniture, furnishings and equipment" (as such phrase is commonly understood in the hotel industry) and all appurtenances and additions thereto and substitutions or replacements thereof owned by the applicable Loan Party and now or hereafter attached to, contained in or used in connection with the use, occupancy, operation or maintenance of the applicable Hotel Asset, including, without limitation, any and all fixtures, furnishings, equipment, furniture, and other items of tangible personal property, appliances, machinery, equipment, signs, artwork (including paintings, prints, sculpture and other fine art), office furnishings and equipment, guest room furnishings, and specialized equipment for kitchens, laundries, drying, bars, restaurants, spas, public rooms, health and recreational facilities, linens, dishware, two-way radios, all partitions, screens, awnings, shades, blinds, rugs, carpets, hall and lobby equipment, heating, lighting, plumbing, ventilating, refrigerating, incinerating, elevators, escalators, air conditioning and communication plants or systems with appurtenant fixtures, vacuum cleaning systems, call or beeper systems, security systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials; generators, boilers, compressors and engines; gas and electric machinery and equipment; facilities used to provide utility services; garbage disposal machinery or equipment;

communication apparatus, including television, radio, music, and cable antennae and systems; attached floor coverings, window coverings, curtains, drapes and rods; storm doors and windows; stoves, refrigerators, dishwashers and other installed appliances; attached cabinets; trees, plants and other items of landscaping; visual and electronic surveillance systems; and swimming pool heaters and equipment, fuel, water and other pumps and tanks; irrigation equipment; reservation system computer and related equipment; all equipment, manual, mechanical or motorized, for the construction, maintenance, repair and cleaning of, parking areas, walks, underground ways, truck ways, driveways, common areas, roadways, highways and streets and all equipment, fixtures, furnishings, and articles of personal property now or hereafter attached to or used in or about any such Hotel Asset which is or may be used in or related to the planning, development, financing or operation thereof and all renewals of or replacements or substitutions for any of the foregoing.

" ***Fiscal Year*** " means a fiscal year of the Parent Guarantor and its Consolidated Subsidiaries ending on December 31 in any calendar year.

" ***Franchise Agreements*** " means (a) the Franchise Agreements set forth on Part IV of Schedule 4.01(p) hereto, and (b) any Franchise Agreement in respect of a Hotel Asset entered into after the Closing Date in compliance with Section 5.01(q).

" ***Fund Affiliate*** " means, with respect to any Lender that is a fund that invests in bank loans, any other fund that invests in bank loans and is advised or managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

" ***Funds From Operations*** " means, with respect to the Parent Guarantor, net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property and extraordinary and unusual items, plus depreciation and amortization, and after adjustments for unconsolidated Joint Ventures. Adjustments for unconsolidated Joint Ventures will be calculated to reflect funds from operations on the same basis.

" ***GAAP*** " has the meaning specified in Section 1.03.

" ***Good Faith Contest*** " means the contest of an item as to which: (a) such item is contested in good faith, by appropriate proceedings, (b) reserves that are adequate are established with respect to such contested item in accordance with GAAP and (c) the failure to pay or comply with such contested item during the period of such contest could not reasonably be expected to result in a Material Adverse Effect.

" ***Governmental Authority*** " means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

" ***Gross Hotel Revenues*** " means all revenues and receipts of every kind derived from operating such Asset or Assets, as the case may be, and parts thereof, including, without limitation, income (from both cash and credit transactions), before commissions and discounts for prompt or

cash payments, from rentals or sales of rooms, stores, offices, meeting space, exhibit space, or sales space of every kind (including rentals from timeshare marketing and sales desks); license, lease, and concession fees and rentals (not including gross receipts of licensees, lessees, and concessionaires); net income from vending machines; health club membership fees; food and beverage sales; parking; sales of merchandise (other than proceeds from the sale of FF&E no longer necessary to the operation of such Asset or Assets); service charges, to the extent not distributed to the employees at such Asset or Assets as, or in lieu of, gratuities; and proceeds, if any, from business interruption or other loss of income insurance; *provided, however* , that Gross Hotel Revenues shall not include gratuities to employees of such Asset or Assets; federal, state, or municipal excise, sales, use, or similar taxes collected directly from tenants, patrons, or guests or included as part of the sales price of any goods or services; insurance proceeds (other than proceeds from business interruption or other loss of income insurance); condemnation proceeds; or any proceeds from any sale of such Asset or Assets.

" ***Guaranteed Hedge Agreement*** " means any Hedge Agreement required or permitted under Article V that is entered into by and between any Loan Party and any Hedge Bank.

" ***Guaranteed Obligations*** " has the meaning specified in Section 7.01.

" ***Guarantor Deliverables*** " means each of the items set forth in Section 5.01(j).

" ***Guaranty*** " means the Guaranty by the Guarantors pursuant to Article VII, together with any and all Guaranty Supplements required to be delivered pursuant to Section 5.01(j), Section 5.01(x) or Section 7.05.

" ***Guaranty Supplement*** " means a supplement entered into by an Additional Guarantor in substantially the form of Exhibit D hereto.

" ***Hazardous Materials*** " means (a) petroleum or petroleum products, by-products or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls, radon gas and mold and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

" ***Hedge Agreements*** " means interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other hedging agreements.

" ***Hedge Bank*** " means any entity that is a Lender Party or an Affiliate of a Lender Party at the time it enters into a Guaranteed Hedge Agreement in its capacity as a party to such Guaranteed Hedge Agreement.

" ***Hotel Asset*** " means Real Property (other than any Joint Venture Asset) that operates or is intended to be operated as a hotel, resort or other lodging for transient use of rooms or is a structure from which a hotel, resort or other lodging for transient use of rooms is operated or intended to be operated.

" ***Increase Date*** " has the meaning specified in Section 2.17(a).

" ***Increasing Lender*** " has the meaning specified in Section 2.17(b).

" ***Indebtedness*** " of any Person means the sum of (without duplication) (i) all Debt for Borrowed Money and for the deferred purchase price of property or services (excluding ordinary payable and accrued expenses and deferred purchase price which is not yet a liquidated sum), (ii) the aggregate amount of all Capitalized Leases Obligations, (iii) all indebtedness of the types described in clause (i) or (ii) of this definition of Persons other than the Parent Guarantor and its Consolidated Subsidiaries secured by any Lien on any property owned by the Parent Guarantor or any of its Consolidated Subsidiaries, whether or not such indebtedness has been assumed by such Person (provided that, if the Person has not assumed or otherwise become liable in respect of such indebtedness, such indebtedness shall be deemed to be the outstanding principal amount (or maximum principal amount, if larger) of such indebtedness or, if not stated or if indeterminable, in an amount equal to the fair market value of the property to which such Lien relates, as determined in good faith by such Person), (iv) all Contingent Obligations, and (v) the net termination value (if negative) of all indebtedness in respect of Hedge Agreements;

" ***Indemnified Costs*** " has the meaning specified in Section 8.05(a).

" ***Indemnified Party*** " has the meaning specified in Section 7.06(a).

" ***Indemnified Taxes*** " has the meaning specified in Section 2.12(a).

" ***Information*** " has the meaning specified in Section 9.11.

" ***Initial Extension of Credit*** " means the Borrowing at the Closing Date.

" ***Initial Lenders*** " has the meaning specified in the recital of parties to this Agreement.

" ***Insufficiency*** " means, with respect to any Plan, the amount, if any, of its unfunded benefit liabilities, as defined in Section 4001(a)(18) of ERISA.

" ***Interest Expense*** " means, with respect to a Person for a given period, without duplication, (a) total interest expense of such Person, including capitalized interest not funded under a construction loan interest reserve account, determined on a consolidated basis in accordance with GAAP for such period, plus (b) such Person's JV Pro Rata Share of Interest Expense of its Joint Venture for such period. Interest Expense shall include the interest component of Obligations in respect of Capitalized Leases and shall exclude the amortization of any deferred financing fees.

" ***Interest Period*** " means for each Eurodollar Rate Advance comprising part of the same Borrowing, (i) the period commencing on the date of such Eurodollar Rate Advance or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate Advance, and ending on the first day of the month corresponding to the duration of the Interest Period selected by the Borrower pursuant to the following sentence, and (ii) thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the first day of the month corresponding to the duration of the Interest Period selected by the Borrower pursuant to the

following sentence. The duration of each such Interest Period shall be one, two, three or six months, as the Borrower may, upon notice received by the Administrative Agent not later than 12:00 Noon (Cleveland, Ohio time) on the third Business Day prior to the first day of such Interest Period, select; *provided, however* , that:

(a) the Borrower may not select any Interest Period with respect to any such Term Loan Advance that ends after the Termination Date;

(b) Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Borrowing shall be of the same duration; and

(c) whenever the last day of any such Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day; and

(d) whenever the first day of any such Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

" ***Internal Revenue Code*** " means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

" ***Investment*** " means (a) any loan or advance to any Person, any purchase or other acquisition of any Equity Interests or Indebtedness or the assets comprising a division or business unit or a substantial part or all of the business of any Person, any capital contribution to any Person or any other direct or indirect investment in any Person, including, without limitation, any acquisition by way of a merger or consolidation and any arrangement pursuant to which the investor incurs Indebtedness of the types referred to in clause (iii) or (iv) of the definition of "Indebtedness" in respect of any Person, and (b) the purchase or other acquisition of any real property.

" ***Joint Lead Arrangers*** " has the meaning specified in the recital of the parties to this Agreement.

" ***Joint Venture*** " means any joint venture (a) in which the Parent Guarantor or any of its Subsidiaries holds any Equity Interest, (b) that is not a Subsidiary of the Parent Guarantor or any of its Subsidiaries and (c) the accounts of which would not appear on the Consolidated financial statements of the Parent Guarantor.

" ***Joint Venture Assets*** " means, with respect to any Joint Venture at any time, the assets owned by such Joint Venture at such time.

" ***JV Pro Rata Share*** " means, with respect to any Subsidiary of a Person (other than a wholly-owned Subsidiary) or any Joint Venture of a Person, the greater of (a) such Person's relative nominal direct and indirect ownership interest (expressed as a percentage) in such Subsidiary or Joint Venture

or (b) such Person's relative direct and indirect economic interest (calculated as a percentage) in such Subsidiary or Joint Venture, in each case determined in accordance with the applicable provisions of the declaration of trust, articles or certificate of incorporation, articles of organization, partnership agreement, joint venture agreement or other applicable organizational document of such Subsidiary or Joint Venture.

" ***KCM*** " has the meaning specified in the recital of parties to this Agreement.

" ***KeyBank*** " has the meaning specified in the recital of parties to this Agreement.

" ***Lender Party*** " means any Lender.

" ***Lenders*** " means the Initial Lenders, each Acceding Lender that shall become a party hereto pursuant to Section 2.17 and each Person that shall become a Lender hereunder pursuant to Section 9.07 for so long as such Initial Lender or Person, as the case may be, shall be a party to this Agreement.

" ***Leverage Ratio*** " means, at any date of determination, the ratio of Total Indebtedness to Consolidated EBITDA as at the end of the most recently ended fiscal quarter of the Parent Guarantor for which financial statements are required to be delivered to the Lender Parties pursuant to Section 5.03(b) or (c), as the case may be.

" ***Leverage Ratio Increase Election*** " means an election by notice from the Borrower to the Administrative Agent to increase the maximum Leverage Ratio in accordance with the proviso in Section 5.04(a)(i), which election may only be made contemporaneously with the closing of a Specified Acquisition and shall otherwise be subject to the limitations set forth in such proviso.

" ***LIBOR Screen Rate*** " has the meaning set forth in the definition of Eurodollar Rate.

" ***Lien*** " means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

" ***Loan Documents*** " means (a) this Agreement, (b) the Notes, (c) the Fee Letter, (d) each Guaranty Supplement, (e) each Guaranteed Hedge Agreement, and (f) each other document or instrument now or hereafter executed and delivered by a Loan Party in connection with, pursuant to or relating to this Agreement; in each case as the same may be amended, supplemented or otherwise modified from time to time.

" ***Loan Parties*** " means the Borrower and the Guarantors.

" ***Management Agreements*** " means (a) the Management Agreements set forth on Part III of Schedule 4.01(p) hereto (as supplemented from time to time in accordance with the provisions hereof), and (b) any Management Agreement in respect of an Unencumbered Asset entered into after the Closing Date in compliance with Section 5.01(p).

" ***Margin Stock*** " has the meaning specified in Regulation U.

" ***Material Adverse Change*** " means a material adverse change in the business, assets, properties, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the Borrower, the Guarantors and their respective Subsidiaries, taken as a whole.

" ***Material Adverse Effect*** " means a material adverse effect on (a) the business, assets, properties, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the Borrower, the Guarantors and their respective Subsidiaries, taken as a whole, (b) the rights and remedies of the Administrative Agent or any Lender Party under any Loan Document, (c) the ability of any Loan Party to perform its Obligations under any Loan Document to which it is or is to be a party, or (d) the value, use or ability to sell or refinance any Unencumbered Asset.

" ***Material Contract*** " means each contract to which the Borrower or any of its Subsidiaries is a party involving aggregate consideration payable to or by the Borrower or such Subsidiary in an amount of $5,000,000 or more per annum or otherwise material to the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower and its Subsidiaries, taken as a whole. Without limitation of the foregoing, the Operating Leases, the Management Agreements and the Franchise Agreements shall be deemed to comprise Material Contracts hereunder.

" ***Material Debt*** " means (a) Recourse Debt of the Borrower that is outstanding in a principal amount (or, in the case of any Hedge Agreement, an Agreement Value) of $15,000,000 or more, either individually or in the aggregate, (b) any other Indebtedness of any Loan Party or any Subsidiary of a Loan Party (other than Indebtedness described in clause (c) below) that is outstanding in a principal amount (or, in the case of any Hedge Agreement, an Agreement Value) of $75,000,000 or more, either individually or in the aggregate, or (c) any Unsecured Indebtedness (including, without limitation, the indebtedness under the Existing Credit Agreement) of the Parent Guarantor or any of its Subsidiaries; in each case (i) whether or not the primary obligation of the applicable obligor, (ii) whether the subject of one or more separate debt instruments or agreements, and (iii) exclusive of Indebtedness outstanding under this Agreement. For the avoidance of doubt, Material Debt may include Refinancing Debt to the extent comprising Material Debt as defined herein.

" ***Material Litigation*** " has the meaning specified in Section 3.01(e).

" ***Material Renovation*** " means any renovation of an Unencumbered Asset the completion of which causes 25% or more of the rooms located in such Asset to be unavailable for use for a period of forty-five (45) consecutive days or longer.

" ***Moody's*** " means Moody's Investors Service, Inc. and any successor thereto.

" ***Multiemployer Plan*** " means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which any Loan Party or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

" ***Multiple Employer Plan*** " means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of any Loan Party or any ERISA Affiliate and

at least one Person other than the Loan Parties and the ERISA Affiliates or (b) was so maintained and in respect of which any Loan Party or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

" ***Negative Pledge*** " means, with respect to any asset, any provision of a document, instrument or agreement (other than a Loan Document) which prohibits or purports to prohibit the creation or assumption of any Lien on such asset as security for Indebtedness of the Person owning such asset or any other Person; *provided, however* , that (a) an agreement that conditions a Person's ability to encumber its assets upon the maintenance of one or more specified ratios that limit such Person's ability to encumber its assets but that do not generally prohibit the encumbrance of its assets, or the encumbrance of specific assets, shall not constitute a Negative Pledge, and (b) a provision in any agreement governing unsecured Indebtedness generally prohibiting the encumbrance of assets shall not constitute a Negative Pledge so long as such provision is generally consistent with a comparable provision of the Loan Documents.

" ***Net Operating Income*** " means the amount obtained by subtracting Operating Expenses from Operating Income, in each case for consecutive four fiscal quarters most recently ended.

" ***New Property*** " means each Hotel Asset acquired by the Parent Guarantor or any Subsidiary or any Joint Venture (as the case may be) from the date of acquisition for a period of four full fiscal quarters after the acquisition thereof; *provided, however* , that, upon the Seasoned Date for any New Property (or any earlier date selected by the Borrower), such New Property shall be converted to a Seasoned Property and shall cease to be a New Property.

" ***Non-Consenting Lender*** " has the meaning specified in Section 9.01(b).

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

" ***Non-Recourse Debt*** " means Debt for Borrowed Money with respect to which recourse for payment is limited to (a) any building(s) or parcel(s) of real property and any related assets encumbered by a Lien securing such Debt for Borrowed Money and/or (b) (i) the general credit of the Property-Level Subsidiary that has incurred such Debt for Borrowed Money, and/or the direct Equity Interests therein and/or (ii) the general credit of the immediate parent entity of such Property-Level Subsidiary, provided that such parent entity's assets consist solely of Equity Interests in such Property-Level Subsidiary, it being understood that the instruments governing such Debt for Borrowed Money may include customary carve-outs to such limited recourse (any such customary carve-outs or agreements limited to such customary carve-outs, being a " ***Customary Carve-Out Agreement*** ") such as, for example, personal recourse to the Parent Guarantor or any Subsidiary of the Parent Guarantor for fraud, misrepresentation, misapplication or misappropriation of cash, waste, environmental claims, damage to properties, non-payment of taxes or other liens despite the existence of sufficient cash flow, interference with the enforcement of loan documents upon maturity or acceleration, voluntary or involuntary bankruptcy filings, violation of loan document prohibitions against transfer of properties or ownership interests therein and liabilities and other circumstances customarily excluded by lenders from exculpation provisions and/or included in separate indemnification and/or guaranty agreements in non-recourse financings of real estate. For the

avoidance of doubt, Debt for Borrowed Money that refinances Existing Debt shall be permitted as Non-Recourse Debt, so long as such Debt for Borrowed Money meets all the requirements of Non-Recourse Debt.

" ***Note*** " shall mean a promissory note of the Borrower payable to the order of any Term Loan Lender, in substantially the form of Exhibit A hereto, evidencing the indebtedness of the Borrower to such Lender under the Term Loan Facility.

" ***Notice of Borrowing*** " has the meaning specified in Section 2.02(a).

" ***NPL*** " means the National Priorities List under CERCLA.

" ***Obligation*** " means, with respect to any Person, any payment, performance or other obligation of such Person of any kind, including, without limitation, any liability of such Person on any claim, whether or not the right of any creditor to payment in respect of such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, disputed, undisputed, legal, equitable, secured or unsecured, and whether or not such claim is discharged, stayed or otherwise affected by any proceeding referred to in Section 6.01(f). Without limiting the generality of the foregoing, the Obligations of any Loan Party under the Loan Documents include (a) the obligation to pay principal, interest, charges, expenses, fees, attorneys' fees and disbursements, indemnities and other amounts payable by such Loan Party under any Loan Document and (b) the obligation of such Loan Party to reimburse any amount in respect of any of the foregoing that any Lender Party, in its sole discretion, may elect to pay or advance on behalf of such Loan Party, provided that in no event shall the Obligations of the Loan Parties under the Loan Documents include the Excluded Swap Obligations.

" ***OECD*** " means the Organization for Economic Cooperation and Development.

" ***OFAC*** " has the meaning specified in Section 4.01(x).

" ***Operating Expenses*** " means, with respect to any Unencumbered Asset for any applicable measurement period, the actual costs and expenses of owning, operating, managing, and maintaining such Unencumbered Asset during such period, including, without limitation, repairs, real estate and chattel taxes and bad debt expenses, but excluding (i) depreciation or amortization or other noncash items, (ii) the principal of and interest on Debt for Borrowed Money, (iii) income taxes or other taxes in the nature of income taxes, (iv) distributions to the shareholders, members or partners of the Unencumbered Asset owner and (v) capital expenditures, payments (without duplication) for FF&E or into FF&E reserves or management fees actually paid or payable during such period, all as determined in accordance with GAAP.

" ***Operating Income*** " means, with respect to any Unencumbered Asset for any applicable measurement period, all income received from any Person during such period in connection with the ownership or operation of the Property, including, without limitation, (i) the Gross Hotel Revenues, (ii) all amounts payable pursuant to any reciprocal easement and/or operating agreements, covenants, conditions and restrictions, condominium documents and similar agreements affecting such Unencumbered Asset (but excluding any management agreements), and (iii) condemnation

awards to the extent that such awards are compensation for lost rent allocable to such period, all as determined in accordance with GAAP.

" ***Operating Lease*** " means any operating lease of an Unencumbered Asset between the applicable Loan Party that owns such Unencumbered Asset (whether in fee simple or subject to a Qualifying Ground Lease) and the applicable TRS Lessee that leases such Unencumbered Asset, as each may be amended, restated, supplemented or otherwise modified from time to time.

" ***Original Credit Agreement*** " has the meaning specified in the Preliminary Statements to this Agreement.

" ***Original TL Principal Amount*** " shall mean the original principal amount of the Term Loan (i.e., $225,000,000).

" ***Other Taxes*** " has the meaning specified in Section 2.12(b).

" ***Parent"*** has the meaning specified in the recital of parties to this Agreement.

" ***Parent Guarantor*** " has the meaning specified in the recital of parties to this Agreement.

" ***Participant Register*** " has the meaning specified in Section 9.07(g).

" ***Patriot Act*** " has the meaning specified in Section 9.13.

" ***PBGC*** " means the Pension Benefit Guaranty Corporation (or any successor).

" ***Permitted Liens*** " means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) Liens for taxes, assessments and governmental charges or levies not yet due and payable; (b) Liens imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's Liens and other similar Liens arising in the ordinary course of business securing obligations that (i) are not overdue for a period of more than 30 days or are otherwise subject to a Good Faith Contest and (ii) individually or together with all other Permitted Liens outstanding on any date of determination do not materially adversely affect the use of the property to which they relate; (c) pledges or deposits to secure obligations under workers' compensation or unemployment laws or similar legislation or to secure public or statutory obligations; (d) easements, zoning restrictions, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use or value of such property for its present purposes; and (e) Tenancy Leases.

" ***Permitted Recourse Debt*** " means Recourse Debt that is either (a) Unsecured Indebtedness that does not result in a Default or an Event of Default under the financial covenants set forth in Section 5.04(b) provided that the aggregate principal amount of any such Unsecured Indebtedness, other than the Unsecured Indebtedness under the Existing Credit Agreement, that has a scheduled maturity date or commitment termination date prior to the one year anniversary of the latest Termination Date under the Credit Agreement (taking into account any extensions thereof) shall in no event exceed $125,000,000, or (b) Indebtedness (i) secured by (x) a Lien on the Equity Interests

of a Property-Level Subsidiary that directly or indirectly does not hold any fee or leasehold interest in any Unencumbered Asset, or (y) a mortgage Lien granted by such Property-Level Subsidiary, as mortgagor, pursuant to the terms of the loan documents evidencing such Recourse Debt, (ii) in an aggregate principal amount not to exceed 10% of Total Asset Value at any time outstanding, and (iii) that does not result in Default or Event of Default under the financial covenants set forth in Sections 5.04(a)(v) and 5.04(a)(vi).

" ***Person*** " means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

" ***Plan*** " means a Single Employer Plan or a Multiple Employer Plan.

" ***Post Petition Interest*** " has the meaning specified in Section 7.07(b).

" ***Potential Unencumbered Asset*** " means a Hotel Asset that is (i) owned by a Subsidiary Guarantor on the date hereof and (ii) that meets all of the Unencumbered Asset Pool Conditions other than clauses (f) and (g) of the definition of Unencumbered Asset Pool Conditions.

" ***Preferred Interests*** " means, with respect to any Person, Equity Interests issued by such Person that are entitled to a preference or priority over any other Equity Interests issued by such Person upon any distribution of such Person's property and assets, whether by dividend or upon liquidation.

" ***Prepayment Consideration*** " has the meaning specified in Section 2.06(a).

" ***Pro Forma EBITDA*** " means, for any Asset, an amount equal to 90% of such Asset's forecasted EBITDA for the first four full fiscal quarters of such Asset's operation (following the fiscal quarter during which such Asset opens, in the case of a newly built Asset, or re-opens, in the case of a repositioned Asset), as determined by the Parent Guarantor and calculated in a manner consistent with the definition of Consolidated EBITDA and as reasonably approved by the Administrative Agent; *provided, however* , that (a) *Pro Forma* EBITDA for the fourth full fiscal quarter of such Asset's operation shall be adjusted to be (x) the amount of *Pro Forma* EBITDA for such fourth full fiscal quarter multiplied by (y) a fraction the numerator of which is the number of days in the fiscal quarter during which such Asset opens or re-opens, as applicable, from and including the first day of such fiscal quarter to but excluding the opening or re-opening date of such Asset, as applicable, and the denominator of which is the total number of days in such fiscal quarter during which such Asset opens or re-opens, and (b) *Pro Forma* EBITDA shall be adjusted on the last day of each fiscal quarter, beginning with the last day of the first full fiscal quarter of such Asset's operation to remove the forecasted EBITDA attributable to such fiscal quarter; and on the last day of the fourth full fiscal quarter of such Asset's operation, *Pro Forma* EBITDA for such Asset shall be equal to zero. For the avoidance of doubt, until such Asset has four full fiscal quarters of actual Consolidated EBITDA, it is intended that Consolidated EBITDA include (1) the actual Consolidated EBITDA attributable to such Asset for the period commencing on the opening date or re-opening date, as applicable, for such Asset and ending on the last date of the fiscal quarter

during which such Asset opened or re-opened and (2) a correspondingly adjusted amount of *Pro Forma* EBITDA for the fourth full fiscal quarter of such Asset's operation.

" ***Property-Level Subsidiary*** " means any Subsidiary of the Borrower or any Joint Venture that holds a direct fee or leasehold interest in any single building (or group of related buildings, including, without limitation, buildings pooled for purposes of a Non-Recourse Debt financing) or parcel (or group of related parcels, including, without limitation, parcels pooled for purposes of a Non-Recourse Debt financing) of real property and related assets and not in any other building or parcel of real property.

" ***Proposed Unencumbered Asset*** " has the meaning specified in Section 5.01(k).

" ***Proposed Increased Commitment*** " has the meaning specified in Section 2.17(b).

" ***Pro Rata Share*** " of any amount means, with respect to any Lender at any time, the product of such amount times a fraction the numerator of which is the amount of such Lender's Term Loan Commitment at such time (or, if the Term Loan Commitments shall have expired, been fully funded or been terminated, such Lender's Facility Exposure at such time with respect to the Term Loan Facility) and the denominator of which is the aggregate amount of the Lenders' Term Loan Commitments at such time (or, if the Term Loan Commitments shall have expired, been fully funded or been terminated, the aggregate Facility Exposure at such time with respect to the Term Loan Facility).

" ***Qualifying Ground Lease*** " means a ground lease of Real Property that is in full force and effect and not subject to any default and that the Administrative Agent determines, in its reasonable discretion, to be a financeable ground lease and that contains the following terms and conditions: (a) a remaining term (exclusive of any unexercised extension options that are subject to terms or conditions not yet agreed upon and specified in such ground lease or an amendment thereto, other than a condition that the lessee not be in default under such ground lease) of 30 years or more from the date the related Hotel Asset becomes an Unencumbered Asset; (b) the right of the lessee to mortgage and encumber its interest in the leased property without the consent of the lessor, provided however, if the lessor's consent is received, then this condition shall be deemed satisfied; (c) the obligation of the lessor to give the holder of any mortgage Lien on such leased property written notice of any defaults on the part of the lessee and agreement of such lessor that such lease will not be terminated until such holder has had a reasonable opportunity to cure or complete foreclosures, and fails to do so; (d) reasonable transferability of the lessee's interest under such lease, including the ability to sublease; and (e) such other rights customarily required by mortgagees making a loan secured by the interest of the holder of a leasehold estate demised pursuant to a ground lease.

" ***Real Property*** " means all right, title and interest of the Borrower and each of its Subsidiaries in and to any land and any improvements located thereon, together with all equipment, furniture, materials, supplies, personal property and all other rights and property in which such Person has an interest now or hereafter located on or used in connection with such land and improvements, and all appurtenances, additions, improvements, renewals, substitutions and replacements thereof now or hereafter acquired by such Person.

“ ***Recourse Debt*** ” means Indebtedness for which the Parent Guarantor or any of its Subsidiaries has personal or recourse liability in whole or in part, exclusive of Non-Recourse Debt and any Indebtedness for which such personal or recourse liability is limited to obligations under Customary Carve-Out Agreements, and *provided* that no claim shall have been made under such Customary Carve-Out Agreements.

“ ***Reference Bank*** ” means KeyBank.

“ ***Refinancing Debt*** ” means, with respect to any Indebtedness, any Indebtedness extending the maturity of, or refunding or refinancing, in whole or in part, such Indebtedness, *provided* that (a) the terms of any Refinancing Debt, and of any agreement entered into and of any instrument issued in connection therewith, (i) do not provide for any Lien on any Unencumbered Assets, and (ii) are not otherwise prohibited by the Loan Documents, (b) the principal amount of such Indebtedness shall not exceed the principal amount of the Indebtedness being extended, refunded or refinanced plus the amount of any applicable premium and expenses, and (c) the other material terms, taken as a whole, of any such Indebtedness are no less favorable in any material respect to the Loan Parties or the Lender Parties than the terms governing the Indebtedness being extended, refunded or refinanced.

“ ***Register*** ” has the meaning specified in Section 9.07(d).

“ ***Regulation U*** ” means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“ ***REIT*** ” means a Person that is qualified to be treated for U.S. federal income tax purposes as a real estate investment trust under Sections 856-860 of the Internal Revenue Code.

“ ***Replacement Lender*** ” has the meaning specified in Section 9.01(b).

“ ***Required Lenders*** ” means, at any time, Lenders owed or holding greater than 50% of the aggregate principal amount of the Advances outstanding at such time; provided that should there be three (3) or fewer Lenders, Required Lenders shall mean all Lenders that are Non-Defaulting Lenders. For purposes of this definition, any of the foregoing amounts owed to or held by any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“ ***Responsible Officer*** ” means, with respect to any Loan Party, any officer of, or any officer of any general partner or managing member of, such Loan Party, which Officer has (a) responsibility for performing the underlying function that is the subject of the action required of such officer hereunder, or (b) supervisory responsibility for such an officer.

“ ***Restricted Payments*** ” has the meaning specified in Section 5.02(g).

“ ***S&P*** ” means Standard & Poor’s Financial Services LLC, a division of McGraw-Hill Financial, Inc., and any successor thereto.

“ ***Sanctions Laws*** ” has the meaning set forth in Section 4.01(x).

" ***Sale and Leaseback Transaction*** " shall mean any arrangement with any Person providing for the leasing by the Parent Guarantor or any of its Subsidiaries of any Real Property that has been sold or transferred or is to be sold or transferred by the Parent Guarantor or such Subsidiary, as the case may be, to such Person.

" ***Sarbanes-Oxley*** " means the Sarbanes-Oxley Act of 2002, as amended.

" ***Seasoned Date*** " means, with respect to each Hotel Asset acquired by the Parent Guarantor or any Subsidiary or any Joint Venture (as the case may be), the date which is four full fiscal quarters after the acquisition date thereof.

" ***Seasoned Property*** " means each Hotel Asset acquired by the Parent Guarantor or any Subsidiary or any Joint Venture (as the case may be) which has been owned for a period of more than four full fiscal quarters after the acquisition thereof.

" ***Secured Indebtedness*** " means, with respect to Parent Guarantor and its Subsidiaries as of a given date, the portion of Total Indebtedness that is secured in any manner by any Lien on any property or any Equity Interests in direct or indirect Subsidiaries of the Parent Guarantor.

" ***Secured Recourse Indebtedness*** " means the portion of Secured Indebtedness that is not Non-Recourse Debt.

" ***Securities Act*** " means the Securities Act of 1933, as amended to the date hereof and from time to time hereafter, and any successor statute.

" ***Securities Exchange Act*** " means the Securities Exchange Act of 1934, as amended to the date hereof and from time to time hereafter, and any successor statute.

" ***Single Employer Plan*** " means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of any Loan Party or any ERISA Affiliate and no Person other than the Loan Parties and the ERISA Affiliates or (b) was so maintained and in respect of which any Loan Party or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

" ***Smith Travel Research*** " means Smith Travel Research or a substitute lodging industry research company proposed by the Borrower and approved by the Administrative Agent.

" ***Solvent*** " means, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person, on a going-concern basis, is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person, on a going-concern basis, is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital. The

amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time (including, without limitation, after taking into account appropriate discount factors for the present value of future contingent liabilities), represents the amount that can reasonably be expected to become an actual or matured liability.

" ***Specified Acquisition*** " means an acquisition of a portfolio of Hotel Assets (whether by purchasing such properties directly or by acquiring an entity or entities that owns such properties) with a minimum gross purchase price of $150,000,000.

" ***Specified Operating Lessees*** " means those certain Subsidiaries of TRS Holdco which, without a capital contribution, would not be Solvent; *provided, however,* the Borrower shall provide notice to the Administrative Agent identifying the name of such Specified Operating Lessee.

" ***Subordinated Obligations*** " has the meaning specified in Section 7.07.

" ***Subsidiary*** " of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) 50% or more of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such partnership, joint venture or limited liability company or (c) the beneficial interest in such trust or estate, in each case, is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

" ***Subsidiary Guarantor*** " has the meaning specified in the recital of parties to this Agreement.

" ***Swap Obligation*** " means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

" ***Taxes*** " has the meaning specified in Section 2.12(a).

" ***Tenancy Leases*** " means operating leases, subleases, licenses, occupancy agreements and rights-of-use entered into by the Borrower or any of its Subsidiaries in its capacity as a lessor or a similar capacity in the ordinary course of business that do not materially and adversely affect the use of the Real Property encumbered thereby for its intended purpose (excluding any lease entered into in connection with a Sale and Leaseback Transaction).

" ***Term Loan*** " shall mean the term loan to the Borrower from the Term Loan Lenders in an amount up to the Original TL Principal Amount, as the same may be increased as provided in Section 2.17.

" ***Term Loan Advance*** " has the meaning specified in Section 2.01(a).

" ***Term Loan Commitment*** " means, (a) with respect to any Lender at any time, the amount set forth opposite such Lender's name on Schedule I hereto under the caption "Term Loan

Commitment" to make the initial advance to Borrower on the Closing Date (after giving effect to advances outstanding under the Original Credit Agreement) and, subject to the terms hereof, the Delayed Draw to Borrower, or (b) if such Lender has entered into one or more Assignment and Acceptances, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 9.07(d) as such Lender's "Term Loan Credit Commitment", or as such amount may be increased pursuant to Section 2.17, and as such amount may be reduced at or prior to such time pursuant to Section 2.05. The aggregate Term Loan Commitments of the Lenders on the Closing Date shall be $225,000,000.

" ***Term Loan Commitment Period*** " has the meaning specified in Section 2.01(a).

" ***Term Loan Facility*** " shall mean, at any time, the aggregate amount of the Term Loan Commitments at such time.

" ***Term Loan Lender*** " means a Lender having a Term Loan Commitment, whether funded or unfunded.

" ***Termination Date*** " means the earlier of (i) February 14, 2025, and (ii) the date of termination in whole of the Term Loan Commitments pursuant to Section 6.01.

" ***Test Date*** " means (a) the last day of each fiscal quarter of the Parent Guarantor for which financial statements are required to be delivered pursuant to Sections 5.03(b) or (c), as the case may be, (b) the date of each Advance, (c) the date of the addition of any Proposed Unencumbered Asset to the Unencumbered Asset Pool pursuant to Section 5.01(k), (d) the effective date of any merger permitted under Section 5.02(d), and (e) the effective date of any Transfer permitted under Section 5.02(e)(ii)(C).

" ***Total Asset Value*** " means, without duplication, the sum of (a) the following amounts with respect to the following assets owned by the Parent Guarantor or any of its Subsidiaries: (i) for each Seasoned Property, (x) (1) the Adjusted NOI for such Seasoned Property for the four quarters most recently ended prior to such date of determination *divided by* (2) the applicable Capitalization Rate, and (y) for each New Property, the acquisition cost of such New Property (until the Seasoned Date, or earlier at the Borrower's election); (ii) the amount of all Unrestricted Cash and Cash Equivalents held by the Borrower and all Guarantors; and (iii) the undepreciated book value of all Development Assets and Unimproved Land; *plus* (b) (i) the applicable JV Pro Rata Share of any Joint Venture of the Parent Guarantor of any asset described in clause (a) above and (ii) the gross book value of any Investments consisting of loans, advances and extensions of credit to any Person permitted under Section 5.02(f)(iv)(C); *provided, however* , that the following asset concentration restrictions shall apply to the calculation of Total Asset Value: (A) the maximum value allocable to Joint Venture Assets shall not exceed 15% of Total Asset Value; (B) the maximum value allocable to Development Assets shall not exceed 15% of Total Asset Value based on the total budgeted costs attributable to such Development Assets; (C) the maximum value allocable to Unimproved Land shall not exceed 5% of Total Asset Value; (D) the maximum value allocable to Investments consisting of loans, advances and extensions of credit to any Person permitted under Section 5.02(f)(iv)(C) shall not exceed 15% of Total Asset Value; (E) the maximum value allocable to improved Real Property that does not constitute Hotel Assets shall not exceed 5% of Total Asset Value; and (F) the

maximum value allocable to items (A) to (E) above shall not exceed 30% of Total Asset Value (*provided further* that in each case, to the extent such limitation is exceeded, the value of such assets shall be removed from the calculation of the Total Asset Value to the extent of such excess).

" ***Total Unencumbered Asset Value*** " means, at any date of determination, the sum of the Unencumbered Asset Values of all Unencumbered Assets; *provided, however* , that no less than twenty (20) Hotel Assets must, at all times, qualify as Unencumbered Assets or the Total Unencumbered Asset Value shall be deemed to be zero ($0.00).

" ***Total Indebtedness*** " means, at any date of determination, all Consolidated Indebtedness of the Parent Guarantor and its Subsidiaries as at the end of the most recently ended fiscal quarter of the Parent Guarantor for which financial statements are required to be delivered to the Lender Parties pursuant to Section 5.03(b) or (c), as the case may be, *plus* the JV Pro Rata Share of Indebtedness of any Joint Venture.

" ***Transfer*** " has the meaning specified in Section 5.02(e)(i).

" ***TRS Holdco*** " means Summit Hotel TRS, Inc.

" ***TRS Lessee*** " means a lessee of an Unencumbered Asset pursuant to an Operating Lease.

" ***Type*** " refers to the distinction between Advances bearing interest at the Base Rate and Advances bearing interest at the Eurodollar Rate.

" ***Unencumbered Adjusted NOI*** " means aggregate Adjusted NOI for all Unencumbered Assets.

" ***Unencumbered Asset Designation Package*** " means, with respect to any Proposed Unencumbered Asset, the following items, each in form and substance satisfactory to the Administrative Agent and in sufficient copies for each Lender: (a) a description of such Asset in detail satisfactory to the Administrative Agent, (b) a projected cash flow analysis of such Asset, (c) a statement of operating expenses for such Asset for the immediately preceding 36 consecutive calendar months, or such shorter period that the Asset has been open for business, (d) an operating expense and capital expenditures budget for such Asset for the next succeeding 12 consecutive months, (e) the information with respect to such Proposed Unencumbered Asset required pursuant to Section 3.01(a)(iii), and (f) such other items relating to such Asset as Administrative Agent may reasonably request.

" ***Unencumbered Assets*** " means (a) the Hotel Assets listed on Schedule II hereto on the Closing Date, (b) together with those Hotel Assets which are designated by the Borrower and for which the applicable conditions (as may be determined by the Administrative Agent in its sole discretion) in Section 3.01 and, if applicable, Section 5.01(k) have been satisfied and as the Administrative Agent, in its sole discretion, shall have elected to treat as Unencumbered Assets for purposes of this Agreement, (c) but excluding, in each case, any such Unencumbered Assets removed pursuant to Section 5.02(e)(ii)(C).

" ***Unencumbered Asset Pool*** " means all of the Unencumbered Assets.

" ***Unencumbered Asset Pool Conditions*** " means, with respect to any Unencumbered Asset or Proposed Unencumbered Asset, that such Asset (a) is a Hotel Asset located in the United States of America; (b) is a limited service, select service or full service hotel that is rated "upscale", "upper midscale", "midscale" or better by Smith Travel Research; (c) is wholly owned, directly or indirectly, by the Borrower either in fee simple absolute or subject to a Qualifying Ground Lease and is leased to the applicable TRS Lessee (which is wholly-owned by TRS Holdco) pursuant to an Operating Lease; (d) is fully operating, open to the public, and not under significant development, redevelopment or Material Renovation; (e) is free of all material structural defects or architectural deficiencies, title defects, environmental or other material matters (including a casualty event or condemnation) that could reasonably be expected to have a material adverse effect on the value, use or ability to sell or refinance such Asset; (f) is operated by an Approved Manager or any other property manager approved by the Administrative Agent pursuant to a Management Agreement; (g) is operated under a nationally recognized brand subject to a Franchise Agreement with an Approved Franchisor or any other franchisor approved by the Required Lenders; (h) is not subject to mezzanine Indebtedness financing; (i) is not, and no interest of the Borrower or any of its Subsidiaries therein is, subject to any Lien (other than Permitted Liens) or any Negative Pledge; and (j) is 100% owned by the Borrower or a Subsidiary Guarantor that satisfies the requirements of Section 5.02(p) and (1) none of the Borrower's or the Parent Guarantor's direct or indirect Equity Interests in such Subsidiary is subject to any Lien (other than Permitted Liens) or any Negative Pledge and (2) (x) on or prior to the date such Asset is added to the Unencumbered Asset Pool, such Subsidiary shall have become a Guarantor hereunder, and (y) the Borrower directly, or indirectly through a Subsidiary, has the right to take the following actions without the need to obtain the consent of any Person: (i) to create Liens on such Asset and on the Equity Interests in such Subsidiary as security for Indebtedness of the Borrower or such Subsidiary, as applicable, and (ii) to sell, transfer or otherwise dispose of such Asset (provided that any restrictions of the type described in the proviso in the definition of "Negative Pledge" shall not be deemed to cause a failure to satisfy the conditions set forth in (y)(i) and (ii) above); and (k) is assessed for real estate tax purposes as one or more wholly independent tax lot or lots, separate from any adjoining land or improvements not constituting a part of such lot or lots, and no other land or improvements is assessed and taxed together with such Hotel Asset or any portion thereof; *provided, however* , that if two Hotel Assets are located on a single tax lot, the Borrower may elect to treat such Hotel Assets for all purposes of this Agreement as one Hotel Asset, in which case, such Hotel Asset shall be deemed to comply with this clause (k) and such two components of such Hotel Asset shall be included in and removed from the Unencumbered Assets simultaneously and both must meet all Unencumbered Asset Pool Conditions for either component to qualify as an Unencumbered Asset.

" ***Unencumbered Asset Value*** " means, with respect to any Unencumbered Asset, at any date of determination

(a) for each Seasoned Property, (i) the Adjusted NOI for such Seasoned Property for the four quarters most recently ended prior to such date of determination *divided* by (ii) the applicable Capitalization Rate, and

(b) for each New Property, the acquisition cost of such New Property (until the Seasoned Date, or earlier at the Borrower's election).

" ***Unimproved Land*** " means land on which no development (other than improvements that are not material and are temporary in nature) has occurred.

" ***Unrestricted Cash and Cash Equivalents*** " means, with respect to any Person, cash and Cash Equivalents of such Person that are free and clear of all Liens and not subject to any restrictions on the use thereof to pay Indebtedness and other obligations of such Person.

" ***Unsecured Indebtedness*** " means, with respect to a Person, Indebtedness of such Person that is not Secured Indebtedness.

" ***Unsecured Leverage Ratio*** " means, at any date of determination, the ratio of Consolidated Unsecured Indebtedness of the Parent Guarantor to Unencumbered Asset Value.

" ***Unsecured Leverage Ratio Increase Election*** " means an election by notice from the Borrower to the Administrative Agent to increase the maximum Unsecured Leverage Ratio in accordance with the proviso in Section 5.04(b)(i), which election may only be made contemporaneously with the closing of a Specified Acquisition and shall otherwise be subject to the limitations set forth in such proviso.

" ***Voting Interests*** " means shares of capital stock issued by a corporation, or equivalent Equity Interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or the election or appointment of persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

" ***Welfare Plan*** " means a welfare plan, as defined in Section 3(1) of ERISA, that is maintained for employees of any Loan Party or in respect of which any Loan Party could have liability under applicable law.

" ***Withdrawal Liability*** " has the meaning specified in Part I of Subtitle E of Title IV of ERISA.

" ***Write-Down and Conversion Powers*** " means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SECTION 1.17 Computation of Time Periods; Other Definitional Provisions . In this Agreement and the other Loan Documents in the computation of periods of time from a specified date to a later specified date, the word " **from** " means "from and including" and the words " **to** " and " **until** " each mean "to but excluding". References in the Loan Documents to any agreement or contract " **as amended** " shall mean and be a reference to such agreement or contract as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms.

SECTION 1.18 Accounting Terms . All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01(g) (" **GAAP** ").

ARTICLE II
AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.16 The Advances .

(a) Subject to the terms and conditions set forth in this Agreement, each Term Loan Lender severally agrees, on the terms and conditions hereinafter set forth, to make advances (each, a " ***Term Loan Advance*** ") to the Borrower from time to time up to a maximum of one (1) advance on the Closing Date (after giving effect to any advances outstanding under the Original Credit Agreement) and three (3) times thereafter during the period beginning on the day after the Closing Date and ending on May 16, 2018 (the "Term Loan Commitment Period"), upon notice by the Borrower to the Administrative Agent given in accordance with Section 2.02(a), such sums as are requested by the Borrower for the purposes set forth in Section 2.14, in an amount (i) following the Closing Date of an integral multiple of $25,000,000 (or if the remaining unadvanced portion of the Term Loan Commitment is less than $25,000,000, Borrower shall be permitted to make a single draw in the amount of the remaining unadvanced portion of the Commitment in order to fully fund the Facility), and (ii) up to a maximum aggregate principal amount outstanding (after giving effect to all amounts requested) at any one time equal to such Lender's Term Loan Commitment; *provided, however* , that all Term Loan Borrowings shall be subject to the satisfaction of the conditions precedent set forth in Section 3.02. The Term Loan Advance on the Closing Date shall not be less than $140,000,000.00. Such additional advances made in accordance with this Section 2.01(a) after the Closing Date is each a "Delayed Draw" and are collectively referred to herein as the "Delayed Draws." Any amount of the Term Loan Commitment that is not drawn by Borrower on or before the expiration of the Term Loan Commitment Period will not be available to be drawn by the Borrower thereafter, and any undrawn portion of the Term Loan Commitment shall terminate, provided however, that any expiration of the Term Loan Commitment shall not abrogate Borrower's right to request a Commitment Increase as set forth in Section 2.17 hereunder.

(b) Each Borrowing shall consist of Term Loan Advances made simultaneously by the Term Loan Lenders ratably according to their Term Loan Commitments. The Borrower may prepay Term Loan Advances pursuant to Section 2.06(a). The Borrower shall not have the right to reborrow any portion of the Term Loan that is repaid or prepaid, provided that such prepayment shall not limit the terms of Section 2.17.

(c) By delivery of this Agreement and any Note, there shall not be deemed to have occurred, and there has not otherwise occurred, any payment, satisfaction or novation of the Indebtedness evidenced by the Original Credit Agreement or the "Notes" described in the Original Credit Agreement, which Indebtedness under the Original Credit Agreement and such Notes is instead allocated among the Lenders as of the date hereof ratably in accordance with their respective Term Loan Commitments, and such Indebtedness is evidenced by this Agreement and any Notes. Lenders shall as of the date hereof make such adjustments to the outstanding Term Loans of such

Lenders so that such outstanding Term Loans are consistent with their ratable share of the Term Loan Commitment.

SECTION 2.17 Making the Advances. Each Borrowing shall be made on notice, given not later than 12:00 Noon (Cleveland, Ohio time) on the third Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Eurodollar Rate Advances, or not later than 1:00 P.M. (Cleveland, Ohio time) on the date one Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Advances, by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice thereof by telex or telecopier. Each such notice of a Borrowing (a " ***Notice of Borrowing*** ") shall be by telephone, confirmed immediately in writing, or telex or telecopier or e-mail, in each case in substantially the form of Exhibit B hereto, specifying therein the requested (i) date of such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Advance. Each Lender shall, before 12:00 Noon (Cleveland, Ohio time) on the date of such Borrowing in the case of a Borrowing consisting of Eurodollar Rate Advances and 1:00 P.M. (Cleveland, Ohio time) on the date of such Borrowing in the case of a Borrowing consisting of Base Rate Advances, make available for the account of its Applicable Lending Office to the Administrative Agent at the Administrative Agent's Account, in same day funds, such Lender's ratable portion of such Borrowing in accordance with the respective Commitments of such Lender and the other Lenders. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Administrative Agent will make such funds available to the Borrower by crediting the Borrower's Account.

(a) [Intentionally Omitted.]

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select Eurodollar Rate Advances for any Borrowing if the aggregate amount of such Borrowing is less than $5,000,000 or if the obligation of the Lenders to make Eurodollar Rate Advances shall then be suspended pursuant to Section 2.07(d)(ii), 2.09 or 2.10 and (ii) there may not be more than five (5) separate Interest Periods in effect hereunder at any time.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such

Borrowing in accordance with subsection (a) of this Section 2.02 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay or pay to the Administrative Agent forthwith on demand such corresponding amount and to pay interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid or paid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at such time under Section 2.07 to Advances comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall pay to the Administrative Agent such corresponding amount, such amount so paid shall constitute such Lender's Advance as part of such Borrowing for all purposes.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 2.18 [Intentionally Omitted.]

SECTION 2.19 Repayment of Advances . The Borrower shall repay to the Administrative Agent for the ratable account of the Term Loan Lenders on the Termination Date in respect of the Term Loan Facility the aggregate outstanding principal amount of the Term Loan Advances then outstanding.

SECTION 2.20 Termination or Reduction of the Commitments . The Term Loan Facility shall be permanently reduced from time to time by the amount of each payment or prepayment of principal made in respect of the Term Loan Facility.

SECTION 2.21 Prepayments .

(a) Optional . The Borrower may, upon same day notice in the case of Base Rate Advances and two Business Days' notice in the case of Eurodollar Rate Advances, in each case to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding aggregate principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the aggregate principal amount prepaid and together with a prepayment premium, if applicable, for the benefit of the Lenders in accordance with their Pro Rata Share in respect of the principal amount of the Advances so prepaid in an amount equal to (i) two percent (2%) of such principal amount of the Advances prepaid for any prepayment made on or before February 15, 2019, and (ii) one percent (1%) of such principal amount of the Advances prepaid for any prepayment made after February 15, 2019, and on or before February 15, 2020 (the " ***Prepayment Consideration*** "); *provided, however* , that (i) each partial prepayment shall be in an aggregate principal amount of $5,000,000 or an integral multiple of $250,000 in excess thereof or, if less, the amount of the Advances outstanding and (ii) if any prepayment of a Eurodollar Rate Advance is made on a date other than the last day of an Interest Period for such Advance, the Borrower shall also pay any amounts owing pursuant to

Section 9.04(c). No Prepayment Consideration shall be required pursuant to this paragraph in respect of any prepayment of such Advances made after February 15, 2020. Administrative Agent and the Lenders shall not be obligated to accept any prepayment of the Advances on or prior to February 15, 2020 unless it is accompanied by the applicable Prepayment Consideration. Borrower acknowledges that the Prepayment Consideration is bargained for consideration and is not a penalty. Borrower recognizes that the Lenders would incur substantial additional costs and expense in the event of a prepayment of the Advances (including, without limitation, the loss of Lenders' investment opportunity during the period from the prepayment date until the Termination Date). Borrower agrees that Lenders shall not, as a condition to receiving the Prepayment Consideration, be obligated to actually reinvest the amount prepaid in any obligation or in any other manner whatsoever. If, following the occurrence and during the continuance of any Event of Default, Borrower shall tender payment of an amount sufficient to pay the Advances in whole or in part on or before February 15, 2020, such tender by Borrower shall be deemed to be a voluntary prepayment in the amount tendered and in such case Borrower shall also pay to Administrative Agent, with respect to the amount tendered, the applicable Prepayment Consideration. Administrative Agent shall not be obligated to accept any such tender unless it is accompanied by all Prepayment Consideration due in connection therewith.

(b) Mandatory .

(i) The Borrower shall, if applicable, on each Business Day, prepay an aggregate principal amount of the Term Loan Advances comprising part of the same Borrowings in an amount sufficient, and only to the extent necessary to cause (A) the Leverage Ratio not to exceed the applicable maximum Leverage Ratio set forth in Section 5.04(a)(i) on such Business Day, (B) compliance with the covenants in Section 5.04(b)(i) and (ii), and (C) the Facility Exposure not to exceed the aggregate Commitments of the Lenders on such Business Day.

(ii) All prepayments under this subsection (b) shall be made together with accrued interest to the date of such prepayment on the principal amount prepaid.

(c) No Reborrowing . Any amount of Advances prepaid or otherwise repaid under the Loan Documents may not be reborrowed (provided that such prepayment shall not limit the terms of Section 2.17).

SECTION 2.22 Interest .

(a) Scheduled Interest . The Borrower shall pay interest on the unpaid principal amount of each Advance owing to each Lender from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances . During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (A) the Base Rate in effect from time to time plus (B) the Applicable Margin in respect of Base Rate Advances in effect from time to time, payable in arrears quarterly on the last day of

each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

(ii) Eurodollar Rate Advances . During such periods as such Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (A) the Eurodollar Rate for such Interest Period for such Advance plus (B) the Applicable Margin in respect of Eurodollar Rate Advances in effect on the first day of such Interest Period, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such Eurodollar Rate Advance shall be Converted or paid in full.

(b) Default Interest . Upon the occurrence and during the continuance of any Event of Default, the Borrower shall pay interest on (i) the unpaid principal amount of each Advance owing to each Lender, payable in arrears on the dates referred to in clause (a)(i) or (a)(ii) above and on demand, at a rate per annum equal at all times to the lesser of the maximum rate permitted by applicable law and the Default Rate and (ii) to the fullest extent permitted by law, the amount of any interest, fee or other amount payable under the Loan Documents that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to the Default Rate.

(c) Notice of Interest Period and Interest Rate . Promptly after receipt of a Notice of Borrowing pursuant to Section 2.02(a), a notice of Conversion pursuant to Section 2.09 or a notice of selection of an Interest Period pursuant to the definition of " **Interest Period** ", the Administrative Agent shall give notice to the Borrower and each Lender of the applicable Interest Period and the applicable interest rate determined by the Administrative Agent for purposes of clause (a)(i) or (a)(ii) above, and the applicable rate, if any, furnished by each Reference Bank for the purpose of determining the applicable interest rate under clause (a)(ii) above.

(d) Interest Rate Determination .

(i) Reference Bank agrees to furnish to the Administrative Agent timely information for the purpose of determining each Eurodollar Rate.

(ii) If the Reuters Screen LIBOR01 Page (or a successor page) is unavailable and Reference Bank is not able to furnish timely information to the Administrative Agent for determining the Eurodollar Rate for any Eurodollar Rate Advances,

(A) the Administrative Agent shall forthwith notify the Borrower and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances,

(B) each such Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance (or if such Advance is then a Base Rate Advance, will continue as a Base Rate Advance), and

(C) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(iii) If at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (A) adequate and reasonable means for determining the Eurodollar Rate do not exist or are not reasonably available (including, without limitation, because the LIBOR Screen Rate is not available or published) and such circumstances are unlikely to be temporary or (B) the circumstances set forth in clause (iii)(A) have not arisen but the supervisor or administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBOR Screen Rate or similar reference shall no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to the Eurodollar Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Margin). Administrative Agent may require each Guarantor to consent to such amendment. Notwithstanding anything to the contrary in Section 9.01, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five (5) Business Days of the date Administrative Agent shall have provided such amendment to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (iii) (but, in the case of the circumstances described in clause (B) of the first sentence of this Section 2.07(d)(iii), only to the extent the LIBOR Screen Rate for such Interest Period is not available or published at such time on a current basis), (x) any request for the Conversion of any Advance to, or continuation of any Advance as, a Eurodollar Rate Advance shall be ineffective and (y) if any Notice of Borrowing requests a Eurodollar Rate Advance, such Borrowing shall be made as a Base Rate Advance; provided that, if such alternate rate of interest shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. Notwithstanding anything to the contrary herein or otherwise, the Borrower may revoke any pending Notice of Borrowing requesting a Eurodollar Rate Advance or request for a Conversion of any Advance to, or continuation of any Advance as, a Eurodollar Rate

Advance (to the extent of the affected requested Borrowing of a Eurodollar Rate Advance or Interest Period) or, failing that, will be deemed to have converted such request into a request for a Base Rate Advance.

SECTION 2.23 Fees . The Borrower shall pay to the Administrative Agent and the Joint Lead Arrangers for their own account the fees, in the amounts and on the dates, set forth in the Fee Letter and such other fees as may from time to time be agreed between the Borrower and the Administrative Agent or a Joint Lead Arranger.

SECTION 2.24 Conversion of Advances .

(a) Optional . The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 12:00 Noon (Cleveland, Ohio time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.07 and 2.10, Convert all or any portion of the Advances of one Type comprising the same Borrowing into Advances of the other Type; *provided, however* , that any Conversion of Eurodollar Rate Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such Eurodollar Rate Advances, any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.02(c), no Conversion of any Advances shall result in more separate Borrowings than permitted under Section 2.02(c), each Conversion of Advances comprising part of the same Borrowing shall be made ratably among the Lenders in accordance with their Commitments, and with respect to any proposed Term Loan Borrowing consisting a Conversion of Base Rate Advances to Eurodollar Rate Advances, such Conversion must occur only on the first day of an Interest Period. Each such notice of Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted, and (iii) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for such Advances. Each notice of Conversion shall be irrevocable and binding on the Borrower.

(b) Mandatory .

(i) On the date on which the aggregate unpaid principal amount of Eurodollar Rate Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than $5,000,000, such Advances shall automatically Convert into Base Rate Advances.

(ii) If the Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of “Interest Period” in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders, whereupon each such Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance.

(iii) Upon the occurrence and during the continuance of any Event of Default, (y) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (z) the

obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

SECTION 2.25 Increased Costs, Etc.

(a) If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), there shall be any increase in the cost to any Lender Party of agreeing to make or of making, funding or maintaining Eurodollar Rate Advances (excluding, for purposes of this Section 2.10, any such increased costs resulting from (y), Taxes described in clauses (ii) and (iii) of the definition of Excluded Taxes, Indemnified Taxes or Other Taxes (as to which Section 2.12 shall govern) and (z) changes in the basis of taxation of overall net income or overall gross income by the United States or by the foreign jurisdiction or state under the laws of which such Lender Party is organized, has its Applicable Lending Office or otherwise has current or former connections (other than such connections arising from such Lender Party's having executed, delivered, became a party to, performed its obligations under, received or perfected a security interest under, engaged in any other transactions pursuant to, or enforced any Loan Documents, or sold or assigned any interest in any Obligations or Loan Document) or any political subdivision thereof), then the Borrower shall from time to time, upon demand by such Lender Party (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender Party additional amounts sufficient to compensate such Lender Party for such increased cost; *provided, however* , that a Lender Party claiming additional amounts under this Section 2.10(a) agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Applicable Lending Office if the making of such a designation would avoid the need for, or reduce the amount of, such increased cost that may thereafter accrue and would not, in the reasonable judgment of such Lender Party, be otherwise disadvantageous to such Lender Party. A certificate as to the amount of such increased cost, submitted to the Borrower by such Lender Party, shall be conclusive and binding for all purposes, absent manifest error. Notwithstanding anything to the contrary contained in this Agreement, the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, and all requests, rules, guidelines or directives thereunder or issued in connection therewith, regardless of the date enacted, adopted or issued shall be deemed an introduction or change of the type referred to in subclause (i) of this Section 2.10(a).

(b) If any Lender Party determines that compliance with any law or regulation or any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law) affects or would affect the amount of capital or liquidity required or expected to be maintained by such Lender Party or any corporation controlling such Lender Party and that the amount of such capital or such liquidity requirement is increased by or based upon the existence of such Lender Party's commitment to lend hereunder and other commitments of such type (or similar contingent obligations), then, upon demand by such Lender Party or such corporation (with a copy of such demand to the Administrative Agent), the Borrower shall pay to the Administrative Agent for the account of such Lender Party, from time to time as specified by such Lender Party, additional amounts sufficient to compensate such Lender Party in the light of such circumstances, to the extent that such Lender Party reasonably determines such increase in capital or increase in

liquidity to be allocable to the existence of such Lender Party's commitment to lend hereunder. A certificate as to such amounts submitted to the Borrower by such Lender Party shall be conclusive and binding for all purposes, absent manifest error.

Notwithstanding anything to the contrary contained in this Agreement, the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, and all requests, rules, guidelines or directives thereunder or issued in connection therewith, regardless of the date enacted, adopted or issued, and all requests, rules, guidelines or directives promulgated by the Bank for International Settlements or the Basel Committee on Banking Supervision (or any successor or similar authority) shall be deemed an introduction or change of the type referred to in Section 2.10(a) and this Section 2.10(b).

(c) If, with respect to any Eurodollar Rate Advances, the Required Lenders notify the Administrative Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Lenders of making, funding or maintaining their Eurodollar Rate Advances for such Interest Period, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon (i) each such Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower that such Lenders have determined that the circumstances causing such suspension no longer exist.

(d) Notwithstanding any other provision of this Agreement, if the introduction of or any change in or in the interpretation of any law or regulation shall make it unlawful, or any central bank or other Governmental Authority shall assert that it is unlawful, for any Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to continue to fund or maintain Eurodollar Rate Advances hereunder, then, on notice thereof and demand therefor by such Lender to the Borrower through the Administrative Agent, (i) each Eurodollar Rate Advance will automatically, upon such demand, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower that such Lender has determined that the circumstances causing such suspension no longer exist; *provided, however* , that, before making any such demand, such Lender agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Eurodollar Lending Office if the making of such a designation would allow such Lender or its Eurodollar Lending Office to continue to perform its obligations to make Eurodollar Rate Advances or to continue to fund or maintain Eurodollar Rate Advances and would not, in the judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.26 Payments and Computations .

(a) The Borrower shall make each payment hereunder and under the Notes, irrespective of any right of counterclaim or set-off (except as otherwise provided in Section 2.13), not later than 12:00 Noon (Cleveland, Ohio time) on the day when due in U.S. dollars to the Administrative Agent at the Administrative Agent's Account in same day funds, with payments being received by the Administrative Agent after such time being deemed to have been received on

the next succeeding Business Day. The Administrative Agent shall promptly thereafter cause like funds to be distributed (i) if such payment by the Borrower is in respect of principal, interest, commitment fees, Prepayment Consideration or any other Obligation then payable hereunder and under the Notes to more than one Lender Party, to such Lender Parties for the account of their respective Applicable Lending Offices ratably in accordance with the amounts of such respective Obligations then payable to such Lender Parties and (ii) if such payment by the Borrower is in respect of any Obligation then payable hereunder to one Lender Party, to such Lender Party for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon any Acceding Lender becoming a Lender hereunder as a result of a Commitment Increase pursuant to Section 2.17 and upon the Administrative Agent's receipt of such Lender's Accession Agreement and recording of information contained therein in the Register, from and after the applicable Increase Date, the Administrative Agent shall make all payments hereunder and under any Notes issued in connection therewith in respect of the interest assumed thereby to such Acceding Lender. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 9.07(d), from and after the effective date of such Assignment and Acceptance, the Administrative Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender Party assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) The Borrower hereby authorizes each Lender Party and each of its Affiliates, if and to the extent payment owed to such Lender Party is not made when due hereunder or, in the case of a Lender, under the Note held by such Lender, to charge from time to time, to the fullest extent permitted by law, against any or all of the Borrower's accounts with such Lender Party any amount so due.

(c) All computations of interest based on the Base Rate shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurodollar Rate or the Federal Funds Rate and of fees shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, fees or commissions are payable. Each determination by the Administrative Agent of an interest rate, fee or commission hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commitment fee, as the case may be; *provided, however* , that if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to any Lender Party hereunder that the

Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each such Lender Party on such due date an amount equal to the amount then due such Lender Party. If and to the extent the Borrower shall not have so made such payment in full to the Administrative Agent, each such Lender Party shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender Party together with interest thereon, for each day from the date such amount is distributed to such Lender Party until the date such Lender Party repays such amount to the Administrative Agent, at the Federal Funds Rate.

(f) Whenever any payment received by the Administrative Agent under this Agreement or any of the other Loan Documents is insufficient to pay in full all amounts due and payable to the Administrative Agent and the Lender Parties under or in respect of this Agreement and the other Loan Documents on any date, such payment shall be distributed by the Administrative Agent and applied by the Administrative Agent and the Lender Parties in the following order of priority:

(i) *first* , to the payment of all of the fees, indemnification payments, costs and expenses that are due and payable to the Administrative Agent (solely in its capacity as Administrative Agent) under or in respect of this Agreement and the other Loan Documents on such date, ratably based upon the respective aggregate amounts of all such fees, indemnification payments, costs and expenses owing to the Administrative Agent on such date;

(ii) *second* , to the payment of all of the indemnification payments, costs and expenses that are due and payable to the Lenders under Section 9.04, and any similar section of any of the other Loan Documents on such date, ratably based upon the respective aggregate amounts of all such indemnification payments, costs and expenses owing to the Lenders on such date;

(iii) *third* , to the payment of all of the amounts that are due and payable to the Administrative Agent and the Lender Parties under Sections 2.10 and 2.12 on such date, ratably based upon the respective aggregate amounts thereof owing to the Administrative Agent and the Lender Parties on such date;

(iv) *fourth* , to the payment of all of the accrued and unpaid interest on the Obligations of the Borrower under or in respect of the Loan Documents that is due and payable to the Administrative Agent and the Lender Parties under Section 2.07(b) on such date, ratably based upon the respective aggregate amounts of all such interest owing to the Administrative Agent and the Lender Parties on such date;

(v) *fifth* , to the payment of all of the accrued and unpaid interest on the Advances that is due and payable to the Administrative Agent and the Lender Parties under Section 2.07(a) on such date or any periodic scheduled payments due under any Guaranteed Hedge Agreement of which Administrative Agent has received not less than five (5) Business Days prior written notice, ratably based upon the respective

aggregate amounts of all such interest owing to the Administrative Agent and the Lender Parties on such date;

(vi) *sixth* , to the payment of any other accrued and unpaid interest and Prepayment Consideration comprising Obligations that is due and payable to the Administrative Agent and the Lender Parties on such date, ratably based upon the respective aggregate amounts of all such interest owing to the Administrative Agent and the Lender Parties on such date;

(vii) *seventh* , to the payment of the principal amount of all of the outstanding Advances and any termination payments due under a Guaranteed Hedge Agreement of which Administrative Agent has received not less than five (5) Business Days prior written notice that are due and payable to the Administrative Agent and the Lender Parties on such date, ratably based upon the respective aggregate amounts of all such principal and reimbursement obligations owing to the Administrative Agent and the Lender Parties on such date; and

(viii) *eighth* , to the payment of all other Obligations of the Loan Parties owing under or in respect of the Loan Documents that are due and payable to the Administrative Agent and the other Lender Parties on such date, ratably based upon the respective aggregate amounts of all such Obligations owing to the Administrative Agent and the other Lender Parties on such date.

SECTION 2.27 Taxes .

(a) Any and all payments by any Loan Party to or for the account of any Lender Party or the Administrative Agent hereunder or under any other Loan Document shall be made, in accordance with Section 2.11 or the applicable provisions of such other Loan Document, if any, free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including all backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto (collectively, " ***Taxes*** "), except as required by applicable law, *excluding* (i) in the case of each Lender Party and the Administrative Agent, taxes that are imposed on its overall net income by the United States and taxes that are imposed on its overall net income (and franchise taxes imposed in lieu thereof) by the state or foreign jurisdiction under the laws of which such Lender Party or the Administrative Agent, as the case may be, is organized, has its Applicable Lending Office or otherwise has current or former connections (other than such connections arising from such Lender Party's having executed, delivered, became a party to, performed its obligations under, received or perfected a security interest under, engaged in any other transactions pursuant to, or enforced any Loan Documents, or sold or assigned any interest in any Obligations or Loan Document) or any political subdivision thereof) or any political subdivision thereof, in the case of each Lender Party, taxes that are imposed on its overall net income (and franchise taxes imposed in lieu thereof) by the state or foreign jurisdiction of such Lender Party's Applicable Lending Office or any political subdivision thereof, (ii) any U.S. federal withholding tax imposed on amounts payable to or for the account of any Lender Party with respect to an applicable interest in an Advance or Commitment pursuant to a law in effect on the date, including the Closing Date, on which such

Lender Party acquires such interest in the Advance or Commitment (other than pursuant to an assignment request by the Borrower under Section 9.01(b)) or designates a new Applicable Lending Office, except in each case to the extent that, pursuant to this Section 2.12(a) or Section 2.12(c), amounts with respect to such Taxes were payable either to such Lender Party's assignor immediately before such Person became a party hereto or to such Lender Party immediately before it changed its Applicable Lending Office, and (iii) in the case of each Lender Party, any U.S. federal withholding tax imposed pursuant to FATCA (all such excluded Taxes in respect of payments hereunder or under the Notes being referred to as " ***Excluded Taxes*** ", and all Taxes other than Other Taxes and Excluded Taxes being referred to as " ***Indemnified Taxes*** "). If any Loan Party shall be required by law (as determined in the good faith discretion of the applicable Loan Party) to deduct any Indemnified Taxes from or in respect of any sum payable hereunder or under any other Loan Document to any Lender Party or the Administrative Agent, and unless such requirement arises from the failure of a Lender to furnish the documentation described and required to be provided in Section 2.12(f) or (g), (i) the sum payable by such Loan Party shall be increased as may be necessary so that after such Loan Party and the Administrative Agent have made all required deductions (including deductions applicable to additional sums payable under this Section 2.12) such Lender Party or the Administrative Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Loan Party shall make all such deductions and (iii) such Loan Party shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, each Loan Party shall pay any present or future stamp, court or documentary, excise, property, intangible, recording, filing or similar taxes, charges or levies that arise from any payment made by such Loan Party hereunder or under any other Loan Documents or from the execution, delivery or registration of, performance under, or otherwise with respect to, this Agreement, or the other Loan Documents (hereinafter referred to as " ***Other Taxes*** ").

(c) Without duplication of Sections 2.12(a) or 2.12(b), the Loan Parties shall indemnify each Lender Party and the Administrative Agent for and hold them harmless against the full amount of Indemnified Taxes and Other Taxes, and for the full amount of Indemnified Taxes and Other Taxes of any kind imposed or asserted by any jurisdiction on amounts payable under this Section 2.12, imposed on or paid by such Lender Party or the Administrative Agent (as the case may be), or required to be withheld or deducted from a payment to such Loan Party or the Administrative Agent and any liability (including penalties, additions to tax, interest and expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Loan Parties by a Lender Party (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender Party, shall be conclusive absent manifest error. This indemnification shall be made within 10 days from the date such Lender Party or the Administrative Agent (as the case may be) makes written demand therefor.

(d) Each Lender Party shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender Party (but only to the extent that any Loan Party has not already indemnified the Administrative

Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender Party's failure to comply with the provisions of Section 9.07 relating to the maintenance of a Register and (iii) any Excluded Taxes attributable to such Lender Party, in each case that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender Party by the Administrative Agent shall be conclusive absent manifest error. Each Lender Party hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender Party under any Loan Document or otherwise payable by the Administrative Agent to the Lender Party from any other source against any amount due to the Agent under this paragraph (d).

(e) Within 30 days after the date of any payment of Taxes, the appropriate Loan Party shall furnish to the Administrative Agent, at its address referred to in Section 9.02, the original or a certified copy of a receipt evidencing such payment, to the extent such receipt is issued therefor, or other evidence of payment thereof reasonably satisfactory to the Administrative Agent. In the case of any payment hereunder or under the other Loan Documents by or on behalf of a Loan Party through an account or branch outside the United States or by or on behalf of a Loan Party by a payor that is not a United States person, if such Loan Party determines that no Taxes are payable in respect thereof, such Loan Party shall furnish, or shall cause such payor to furnish, to the Administrative Agent, at such address, an opinion of counsel acceptable to the Administrative Agent stating that such payment is exempt from Taxes. For purposes of subsections (e) and (g) of this Section 2.12, the terms " ***United States*** " and " ***United States person*** " shall have the meanings specified in section 7701 of the Internal Revenue Code.

(f) Any Lender Party that is entitled to an exemption from or reduction of withholding tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender Party, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender Party is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.12(g) below) shall not be required if in the applicable Lender Party's reasonable judgment such completion, execution or submission would subject such Lender Party to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender Party.

(g) Each Lender Party organized under the laws of a jurisdiction outside the United States shall, on or prior to the date of its execution and delivery of this Agreement in the case of each Initial Lender Party, and on the date of the Assignment and Acceptance or Accession

Agreement pursuant to which it becomes a Lender Party in the case of each other Lender Party, and from time to time thereafter as reasonably requested in writing by the Borrower (but only so long thereafter as such Lender Party remains lawfully able to do so), provide each of the Administrative Agent and the Borrower with two original Internal Revenue Service Forms W-8BEN, W-8BEN-E or W-8ECI, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender Party is exempt from or entitled to a reduced rate of United States federal withholding tax on payments pursuant to this Agreement or any other Loan Document or, in the case of a Lender Party claiming the benefit of the exemption for portfolio interest under section 881(c) of the Internal Revenue Code (x) a certificate in the form of Exhibit G hereto to the effect that such Lender Party is not a (A) a "bank" within the meaning of section 881(c)(3)(A) of the Internal Revenue Code, (B) or a "10 percent shareholder" of any Loan Party within the meaning of section 881(c)(3)(B) of the Internal Revenue Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Internal Revenue Code and (y) two duly completed copies of an IRS W-8BEN or W-8BEN-E, as appropriate. If the forms provided by a Lender Party at the time such Lender Party first becomes a party to this Agreement indicate a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered an Excluded Tax unless and until such Lender Party provides the appropriate forms certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered an Excluded Tax for periods governed by such forms; *provided, however* , that if, at the effective date of the Assignment and Acceptance or Accession Agreement pursuant to which a Lender Party becomes a party to this Agreement, the Lender Party assignor was entitled to payments under subsection (a) of this Section 2.12 in respect of United States federal withholding tax with respect to interest paid at such date, then, to such extent, the term Indemnified Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States federal withholding tax, if any, applicable with respect to the Lender Party assignee on such date. Upon the request of the Borrower, any Lender that is a United States person and is not an exempt recipient for U.S. backup withholding purposes shall deliver to the Borrower two copies of Internal Revenue Service form W-9 (or any successor form). If a payment made to a Lender Party under any Loan Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender Party were to fail to comply with the applicable reporting requirements of FATCA (including those contained in section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender Party shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender Party has complied with such Lender Party's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for the purposes of this subsection (g), "FATCA" shall include any amendments made to FATCA after the date of this Agreement. Each Lender Party shall promptly notify the Borrower and the Administrative Agent of any change in circumstances that would modify or render invalid any claimed exemption from or reduction of Taxes.

(h) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has received an indemnification payment pursuant to this Section 2.12 (including by the payment of additional amounts pursuant to this Section 2.12), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including Indemnified Taxes or Other Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person. No party shall have any obligation to pursue, or any right to assert, any refund of Taxes or Other Taxes that may be paid by another party.

(i) For any period with respect to which a Lender Party has failed to provide the Borrower with the appropriate form or other document described, and required to be provided, in subsection (f) or (g) above (*other than* if such failure is due to a change in law, or in the interpretation or application thereof, occurring after the date on which a form or other document originally was required to be provided or if such form or other document otherwise is not required under subsection (f) or (g) above), such Lender Party shall not be entitled to indemnification under subsection (a) or (c) of this Section 2.12 with respect to Taxes imposed by the United States by reason of such failure; *provided, however* , that should a Lender Party become subject to Taxes because of its failure to deliver a form or other document required hereunder, the Loan Parties shall take such steps as such Lender Party shall reasonably request to assist such Lender Party to recover such Taxes.

(j) Any Lender Party claiming any additional amounts payable pursuant to this Section 2.12 agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Eurodollar Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender Party, be otherwise disadvantageous to such Lender Party.

(k) In the event that an additional payment is made under Section 2.12(a) or (c) for the account of any Lender Party and such Lender Party, in its sole discretion, determines that it has finally and irrevocably received or been granted a credit against or release or remission for, or repayment of, any tax paid or payable by it in respect of or calculated with reference to the deduction

or withholding giving rise to such payment, such Lender Party shall, to the extent that it determines that it can do so without prejudice to the retention of the amount of such credit, relief, remission or repayment, pay to the applicable Loan Party such amount as such Lender Party shall, in its sole discretion, have determined to be attributable to such deduction or withholding and which will leave such Lender Party (after such payment) in no worse position than it would have been in if the applicable Loan Party had not been required to make such deduction or withholding. Nothing herein contained shall interfere with the right of a Lender Party to arrange its tax affairs in whatever manner it thinks fit nor oblige any Lender Party to claim any tax credit or to disclose any information relating to its affairs or any computations in respect thereof, and no Loan Party shall be entitled to review the tax records of any Lender Party or the Administrative Agent, or require any Lender Party to do anything that would prejudice its ability to benefit from any other credits, reliefs, remissions or repayments to which it may be entitled.

Without prejudice to the survival of any other agreement of any party hereunder or under any other Loan Document, the agreements and obligations under this Section 2.12 shall survive the resignation or replacement of the Administrative Agent, the assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the payment in full of principal, interest and all other amounts payable hereunder and under any of the other Loan Documents.

SECTION 2.28 Sharing of Payments, Etc.

(a) [Intentionally Omitted.]

(b) Pro Rata Sharing . Subject to the provisions of Section 2.11(f), if any Lender Party shall obtain at any time any payment (whether voluntary, involuntary, through the exercise of any right of set off, or otherwise, other than as a result of an assignment pursuant to Section 9.07) (a) on account of Obligations due and payable to such Lender Party under the Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender Party at such time to (ii) the aggregate amount of the Obligations due and payable to all Lender Parties under the Loan Documents at such time) of payments on account of the Obligations due and payable to all Lender Parties under the Loan Documents at such time obtained by all the Lender Parties at such time or (b) on account of Obligations owing (but not due and payable) to such Lender Party under the Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations owing to such Lender Party at such time to (ii) the aggregate amount of the Obligations owing (but not due and payable) to all Lender Parties under the Loan Documents at such time) of payments on account of the Obligations owing (but not due and payable) to all Lender Parties under the Loan Documents at such time obtained by all of the Lender Parties at such time, such Lender Party shall forthwith purchase from the other Lender Parties such interests or participating interests in the Obligations due and payable or owing to them, as the case may be, as shall be necessary to cause such purchasing Lender Party to share the excess payment ratably with each of them; *provided, however* , that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender Party, such purchase from each other Lender Party shall be rescinded and such other Lender Party shall repay to the purchasing Lender Party the purchase price to the extent of

such Lender Party's ratable share (according to the proportion of (i) the purchase price paid to such Lender Party to (ii) the aggregate purchase price paid to all Lender Parties) of such recovery together with an amount equal to such Lender Party's ratable share (according to the proportion of (i) the amount of such other Lender Party's required repayment to (ii) the total amount so recovered from the purchasing Lender Party) of any interest or other amount paid or payable by the purchasing Lender Party in respect of the total amount so recovered. The Borrower agrees that any Lender Party so purchasing an interest or participating interest from another Lender Party pursuant to this Section 2.13(b) may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such interest or participating interest, as the case may be, as fully as if such Lender Party were the direct creditor of the Borrower in the amount of such interest or participating interest, as the case may be.

(c) The provisions of this Section 2.13 shall be subject to the provisions of Section 9.10(a)(ii).

SECTION 2.29 Use of Proceeds . The proceeds of the Advances shall be available (and the Borrower agrees that it shall use such proceeds) for general corporate purposes of the Borrower and its Subsidiaries, including, without limitation, (i) working capital purposes, (ii) the payment of capital expenditures, (iii) the acquisition of Assets as permitted by this Agreement, (iv) the repayment in full (or refinancing) of existing loans, including but not limited to those loans affecting Unencumbered Assets that are added to the Unencumbered Asset Pool after the Closing Date, and (v) the payment of fees and expenses related to the Facility and the other transactions contemplated by the Loan Documents.

SECTION 2.30 Evidence of Debt .

(a) Each Lender Party shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender Party resulting from each Advance owing to such Lender Party from time to time, including the amounts of principal and interest payable and paid to such Lender Party from time to time hereunder. The Borrower agrees that upon notice by any Lender Party to the Borrower (with a copy of such notice to the Administrative Agent) to the effect that one or more promissory notes or other evidence of indebtedness is required or appropriate in order for such Lender Party to evidence (whether for purposes of pledge, enforcement or otherwise) the Advances owing to, or to be made by, such Lender Party, the Borrower shall promptly execute and deliver to such Lender Party, with a copy to the Administrative Agent, a Note in substantially the form of Exhibit A hereto, payable to the order of such Lender Party in a principal amount equal to the Term Loan Commitment of such Lender Party. All references to Notes in the Loan Documents shall mean Notes, if any, to the extent issued hereunder. To the extent no Note has been issued to a Lender Party, this Agreement shall be deemed to comprise conclusive evidence for all purposes of the indebtedness resulting from the Advances and extensions of credit hereunder.

(b) The Register maintained by the Administrative Agent pursuant to Section 9.07(d) shall include (i) the date and amount of each Borrowing made hereunder, the Type of Advances comprising such Borrowing and, if appropriate, the Interest Period applicable thereto, (ii) the terms of each Assignment and Acceptance delivered to and accepted by it, (iii) the amount

of any principal or interest due and payable or to become due and payable from the Borrower to each Lender Party hereunder, and (iv) the amount of any sum received by the Administrative Agent from the Borrower hereunder and each Lender Party's share thereof.

(c) Entries made in good faith by the Administrative Agent in the Register pursuant to subsection (b) above, and by each Lender Party in its account or accounts pursuant to subsection (a) above, shall be prima facie evidence of the amount of principal and interest due and payable or to become due and payable from the Borrower to, in the case of the Register, each Lender Party and, in the case of such account or accounts, such Lender Party, under this Agreement, absent manifest error; *provided, however* , that the failure of the Administrative Agent or such Lender Party to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Borrower under this Agreement.

SECTION 2.31 [Intentionally Omitted] .

SECTION 2.32 Increase in the Aggregate Commitments .

(a) The Borrower may, at any time by written notice to the Administrative Agent, request an increase in the aggregate amount of the Term Loan Commitments, in the form of an additional tranche within the Term Loan Facility, by not less than $5,000,000 (each such proposed increase, a "Commitment Increase") to be effective prior to the Termination Date (the "Increase Date") as specified in the related notice to the Administrative Agent; provided, however, that (i) in no event shall the aggregate amount of the Commitments at any time exceed $375,000,000 in the aggregate, (ii) on the date of any request by the Borrower for a Commitment Increase and on the related Increase Date, the applicable conditions set forth in Article III shall be satisfied and such Commitment Increase shall not constitute or give rise to a default or event of default (whether with the giving of notice, passage of time or otherwise) under any agreement (including, without limitation, the Existing Credit Agreement) to which the Parent Guarantor or any of its Subsidiaries are bound or subject, and Borrower shall have delivered to Administrative Agent a certification of the foregoing signed by a Responsible Officer together with such supporting information demonstrating compliance with the foregoing as Administrative Agent may reasonably request, (iii) with respect to any Term Loan Borrowing in connection with any Commitment Increase consisting of Eurodollar Rate Advances, such Borrowing must occur only on the first day of an Interest Period, and (iv) the Borrower may not request a Commitment Increase in the event that all Advances that had been outstanding prior to such requested increase have been prepaid.

(b) The Administrative Agent shall promptly notify the Lenders of each request by the Borrower for a Commitment Increase, which notice shall include (i) the proposed amount of such requested Commitment Increase, (ii) the proposed Increase Date and (iii) the date by which Lenders wishing to participate in the Commitment Increase must commit to an increase in the amount of their respective Commitments (the " ***Commitment Date*** "). Each Lender that is willing to participate in such requested Commitment Increase (each, an " ***Increasing Lender*** ") shall, in its sole discretion, give written notice to the Administrative Agent on or prior to the Commitment Date of the amount by which it is willing to increase its Commitment in respect of the Facility (the " ***Proposed Increased Commitment*** "). If the Lenders notify the Administrative Agent that they are willing to increase the amount of their respective Commitments by an aggregate amount that exceeds

the amount of the requested Commitment Increase, the requested Commitment Increase shall be allocated to each Lender willing to participate therein in an amount equal to the Commitment Increase multiplied by the ratio of each Lender's Proposed Increased Commitment to the aggregate amount of Proposed Increased Commitments.

(c) Promptly following each Commitment Date, the Administrative Agent shall notify the Borrower as to the amount, if any, by which the Lenders are willing to participate in the requested Commitment Increase. If the aggregate amount by which the Lenders are willing to participate in any requested Commitment Increase on any such Commitment Date is less than the requested Commitment Increase, then the Borrower may extend offers to one or more Eligible Assignees to participate in any portion of the requested Commitment Increase that has not been committed to by the Lenders as of the applicable Commitment Date; *provided, however* , that the Commitment of each such Eligible Assignee shall be in an amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof.

(d) On each Increase Date, each Eligible Assignee that accepts an offer to participate in a requested Commitment Increase in accordance with Section 2.17(c) (an " ***Acceding Lender*** ") shall become a Lender party in respect of the applicable Increasing Facility to this Agreement as of such Increase Date and the Commitment of each Increasing Lender for such requested Commitment Increase shall be so increased by such amount (or by the amount allocated to such Lender pursuant to the last sentence of Section 2.17(b)) as of such Increase Date; *provided, however* , that the Administrative Agent shall have received at or before 12:00 Noon (Cleveland, Ohio time) on such Increase Date the following, each dated such date:

(i) an accession agreement from each Acceding Lender, if any, in form and substance reasonably satisfactory to the Borrower and the Administrative Agent (each, an " ***Accession Agreement*** "), duly executed by such Acceding Lender, the Administrative Agent and the Borrower;

(ii) confirmation from each Increasing Lender of the increase in the amount of its Commitment in a writing reasonably satisfactory to the Borrower and the Administrative Agent, together with an amended Schedule I hereto as may be necessary for such Schedule I to be accurate and complete, certified as correct and complete by a Responsible Officer of the Borrower;

(iii) a new Note for each Increasing Lender or Acceding Lender so that the principal amount of such Lender's Note shall equal its Term Loan Commitment. The Agent shall deliver such replacement Note to the respective Acceding Lender or Increasing Lenders (with respect to an Increasing Lender, in exchange for the Notes replaced thereby which shall be surrendered by such Increasing Lender). Such new Notes shall provide that they are replacements for the surrendered Notes, and that they do not constitute a novation, shall be dated as of the applicable Increase Date and shall otherwise be in substantially the form of the replaced Notes. Simultaneously with such increase, the Borrower shall deliver an opinion of counsel, addressed to the Lenders and the Agent, relating to the due authorization, execution and delivery of such new Notes and the enforceability thereof, in form and substance

substantially similar to the opinion delivered in connection with the closing under this Agreement. Any surrendered Notes shall be cancelled and returned to the Borrower; and

(iv) such certificates or other information as may be required pursuant to Section 3.02.

On each Increase Date, upon fulfillment of the conditions set forth in the immediately preceding sentence of this Section 2.17(d), the Administrative Agent shall notify the Lenders (including, without limitation, each Acceding Lender) and the Borrower, at or before 1:00 P.M. (Cleveland, Ohio time), by telecopier or telex, of the occurrence of the Commitment Increase to be effected on such Increase Date and shall record in the Register the relevant information with respect to each Increasing Lender and each Acceding Lender on such date.

(e) On the Increase Date, each Increasing Lender or Acceding Lender, as applicable, shall fund to Administrative Agent in immediately available funds their respective Commitment Increase as an Advance, and Administrative Agent shall make such Advance available to Borrower as an additional Term Loan.

ARTICLE III
CONDITIONS OF LENDING

SECTION 3.16 Conditions Precedent to Initial Extension of Credit . The obligation of each Lender to make an Advance on the occasion of the Initial Extension of Credit hereunder is subject to the satisfaction of the following conditions precedent before or concurrently with the Initial Extension of Credit:

(a) The Administrative Agent shall have received on or before the day of the Initial Extension of Credit the following, each dated such day (unless otherwise specified), in form and substance satisfactory to the Administrative Agent (unless otherwise specified) and (except for the Notes, as to which one original of each shall be sufficient) in sufficient copies for each Lender Party:

(i) A Note duly executed by the Borrower and payable to the order of each Lender that has requested the same.

(ii) [Intentionally Omitted].

(iii) As to each Unencumbered Asset:

(A) [Intentionally Omitted]; and

(B) evidence satisfactory to the Administrative Agent that the applicable owner or lessee, as applicable, of such Unencumbered Asset shall be in compliance with the requirements of Section 5.02(p).

(iv) This Agreement duly executed by the Loan Parties and the other parties hereto.

(v) Certified copies of the resolutions of the Board of Directors of the Parent Guarantor on its behalf and on behalf of each Loan Party for which it is the ultimate signatory approving the transactions contemplated by the Loan Documents and each Loan Document to which it or such Loan Party is or is to be a party (the " ***Closing Authorizing Resolution*** "), and of all documents evidencing other necessary corporate action and governmental and other third party approvals and consents, if any, with respect to the transactions under the Loan Documents and each Loan Document to which it or such Loan Party is or is to be a party.

(vi) A copy of a certificate of the Secretary of State (or equivalent authority) of the jurisdiction of incorporation, organization or formation of each Loan Party and of each general partner or managing member (if any) of each Loan Party, dated reasonably near (but prior to) the Closing Date, certifying, if and to the extent such certification is generally available for entities of the type of such Loan Party, (A) as to a true and correct copy of the charter, certificate of limited partnership, limited liability company agreement or other organizational document of such Loan Party, general partner or managing member, as the case may be, and each amendment thereto on file in such Secretary's office, (B) that such amendments are the only amendments to the charter, certificate of limited partnership, limited liability company agreement or other organizational document, as applicable, of such Loan Party, general partner or managing member, as the case may be, on file in such Secretary's office, and (C) such Loan Party, general partner or managing member, as the case may be, is duly incorporated, organized or formed and in good standing or presently subsisting under the laws of the jurisdiction of its incorporation, organization or formation.

(vii) A copy of a certificate of the Secretary of State (or equivalent authority) of each jurisdiction in which any Loan Party or any general partner or managing member of a Loan Party owns or leases property or in which the conduct of its business requires it to qualify or be licensed as a foreign corporation except where the failure to so qualify or be licensed could not reasonably be expected to result in a Material Adverse Effect, dated reasonably near (but prior to) the Closing Date, stating, with respect to each such Loan Party, general partner or managing member, that such Loan Party, general partner or managing member, as the case may be, is duly qualified and in good standing as a foreign corporation, limited partnership or limited liability company in such State and has filed all annual reports required to be filed to the date of such certificate.

(viii) A certificate of each Loan Party and of each general partner or managing member (if any) of each Loan Party, signed on behalf of such Loan Party, general partner or managing member, as applicable, by its President, a Vice President, Executive Chairman or Chief Manager and its Secretary or any Assistant Secretary

(or those of its general partner or managing member, if applicable), dated the Closing Date (the statements made in which certificate shall be true on and as of the date of the Initial Extension of Credit), certifying as to (A) the absence of any amendments to the constitutive documents of such Loan Party, general partner or managing member, as applicable, since the date of the certificate referred to in Section 3.01(a)(vi), (B) a true and correct copy of the bylaws, operating agreement, partnership agreement or other governing document of such Loan Party, general partner or managing member, as applicable, as in effect on the date on which the resolutions referred to in Section 3.01(a)(v) were adopted and on the date of the Initial Extension of Credit, (C) the due incorporation, organization or formation and good standing or valid existence of such Loan Party, general partner or managing member, as applicable, as a corporation, limited liability company or partnership organized under the laws of the jurisdiction of its incorporation, organization or formation and the absence of any proceeding for the dissolution or liquidation of such Loan Party, general partner or managing member, as applicable, (D) the truth of the representations and warranties contained in the Loan Documents as though made on and as of the date of the Initial Extension of Credit and (E) the absence of any event occurring and continuing, or resulting from the Initial Extension of Credit, that constitutes a Default.

(ix) A certificate of the Secretary or an Assistant Secretary of each Loan Party (or Responsible Officer of the general partner or managing member of any Loan Party) and of each general partner or managing member (if any) of each Loan Party certifying the names and true signatures of the officers of such Loan Party, or of the general partner or managing member of such Loan Party, authorized to sign each Loan Document to which it is or is to be a party and the other documents to be delivered hereunder and thereunder.

(x) Such financial, business and other information regarding each Loan Party and its Subsidiaries as the Lender Parties shall have reasonably requested, including, without limitation, information as to possible contingent liabilities, tax matters, environmental matters, obligations under Plans, Multiemployer Plans and Welfare Plans, collective bargaining agreements and other arrangements with employees, historical operating statements (if any), audited annual financial statements for the year ending December 31, 2016 of the Parent Guarantor, interim financial statements dated the end of the most recent fiscal quarter for which financial statements are available and for the three months then ended and financial projections for the Parent Guarantor's consolidated operations.

(xi) [Intentionally Omitted.]

(xii) An opinion of Kleinberg, Kaplan, Wolff & Cohen, P.C., New York counsel for the Loan Parties, with respect to the matters (and in substantially the form) set forth in Exhibit F-1 hereto and as to such other matters as any Lender Party through the Administrative Agent may reasonably request.

(xiii) An opinion of local counsel for the Loan Parties (A) from Venable LLP in substantially the form of Exhibit F-2 hereto, (B) from Hagen, Wilka & Archer, LLP in substantially the form of Exhibit F-3 hereto, (C) from Arnall Golden Gregory LLP in substantially the form of Exhibit F-4 hereto, and (D) a Delaware opinion in the form of Exhibit F-5 hereto, in each case covering such other matters as any Lender Party through the Administrative Agent may reasonably request.

(xiv) A Notice of Borrowing relating to the Initial Extension of Credit and dated and delivered not less than three (3) Business Days prior to the date of the Initial Extension of Credit.

(xv) A certificate signed by a Responsible Officer of the Borrower, dated the Closing Date, stating that after giving effect to the Initial Extension of Credit the Parent Guarantor shall be in compliance with the covenants contained in Section 5.04, together with supporting information in form satisfactory to the Administrative Agent showing the computations used in determining compliance with such covenants.

(b) The Lender Parties shall be satisfied with the corporate and legal structure and capitalization of each Loan Party and its Subsidiaries, including the terms and conditions of the charter and bylaws, operating agreement, partnership agreement or other governing document of each of them.

(c) The Lender Parties shall be satisfied that all Existing Debt shall be on terms and conditions reasonably satisfactory to the Lender Parties.

(d) Before and after giving effect to the transactions contemplated by the Loan Documents, there shall have occurred no material adverse change in the business, assets, properties, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the Loan Parties since December 31, 2016.

(e) There shall exist no action, suit, investigation, litigation or proceeding affecting any Loan Party or any of its Subsidiaries pending or threatened before any court, governmental agency or arbitrator that (i) could reasonably be expected to result in a Material Adverse Effect other than the matters described on Schedule 4.01(f) hereto (the " ***Material Litigation*** ") or (ii) purports to affect the legality, validity or enforceability of any Loan Document or the consummation of the transactions contemplated thereby, and there shall have been no material adverse change in the status, or financial effect on any Loan Party or any of its Subsidiaries, of the Material Litigation from that described on Schedule 4.01(f) hereto.

(f) All governmental and third party consents and approvals necessary in connection with the transactions contemplated by the Loan Documents shall have been obtained (without the imposition of any conditions that are not acceptable to the Lender Parties) and shall remain in effect, and no law or regulation shall be applicable in the reasonable judgment of the Lender Parties that restrains, prevents or imposes materially adverse conditions upon the transactions contemplated by the Loan Documents.

(g) Each Subsidiary Guarantor shall have complied with the requirements of Section 5.02(p) and provided evidence of such compliance satisfactory to the Administrative Agent.

(h) The Borrower shall have paid all accrued fees of the Administrative Agent and the Lender Parties and all reasonable, out-of-pocket expenses of the Administrative Agent (including the reasonable fees and expenses of counsel to the Administrative Agent).

SECTION 3.17 Conditions Precedent to Each Borrowing and Increase . The obligation of each Lender to make an Advance on the occasion of each Borrowing (including the initial Borrowing and any Delayed Draw) and the right of the Borrower to request a Commitment Increase shall be subject to the satisfaction of the conditions set forth in Section 3.01 (to the extent not previously satisfied pursuant to that Section) and such further conditions precedent that on the date of such Borrowing or increase (a), the following statements shall be true and the Administrative Agent shall have received for the account of such Lender, (w) a Notice of Borrowing dated the date of such Borrowing or increase, (x) all items described in the definition of "Unencumbered Asset Designation Package" herein (to the extent not previously delivered with respect to each Unencumbered Asset pursuant to Section 5.01(k) or this Section 3.02), (y) in the case of an addition of any Person as an Additional Guarantor, all Guarantor Deliverables (to the extent not previously delivered pursuant to Section 5.01(k), Section 5.01(x) or this Section 3.02), and (z) a certificate signed by a Responsible Officer of the Borrower, dated the date of such Borrowing or increase, stating that:

(i) the representations and warranties contained in each Loan Document are true and correct on and as of such date, before and after giving effect to (A) such Borrowing or increase, and (B) in the case of any Borrowing, the application of the proceeds therefrom, as though made on and as of such date;

(ii) no Default or Event of Default has occurred and is continuing, or would result from (A) such Borrowing or increase or (B) in the case of any Borrowing from the application of the proceeds therefrom; and

(iii) for each Advance, (A) the Total Unencumbered Asset Value equals or exceeds Consolidated Unsecured Indebtedness of the Parent Guarantor that will be outstanding after giving effect to such Advance, and (B) before and after giving effect to such Advance, the Parent Guarantor shall be in compliance with the covenants contained in Section 5.04(b), together with supporting information in form satisfactory to the Administrative Agent showing the computations used in determining compliance with such covenants; and

(b) the Administrative Agent shall have received such other approvals or documents as any Lender Party through the Administrative Agent may reasonably request in order to confirm (i) the accuracy of the Loan Parties' representations and warranties contained in the Loan Documents, (ii) the Loan Parties' timely compliance with the terms, covenants and agreements set forth in the Loan Documents, (iii) the absence of any Default and (iv) the rights and remedies of the Lender Parties or the ability of the Loan Parties to perform their Obligations.

SECTION 3.18 Determinations Under Section 3.01 and 3.02 . For purposes of determining compliance with the conditions specified in Sections 3.01 and 3.02, each Lender Party shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lender Parties unless an officer of the Administrative Agent responsible for the transactions contemplated by the Loan Documents shall have received notice from such Lender Party prior to the Initial Extension of Credit specifying its objection thereto and, if the Initial Extension of Credit consists of a Borrowing, such Lender Party shall not have made available to the Administrative Agent such Lender Party's ratable portion of such Borrowing.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

SECTION 4.16 Representations and Warranties of the Loan Parties . Each Loan Party represents and warrants as follows:

(a) Organization and Powers; Qualifications and Good Standing . Each Loan Party and each of its Subsidiaries and each general partner or managing member, if any, of each Loan Party (i) is a corporation, limited liability company or partnership duly incorporated, organized or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation, (ii) is duly qualified and in good standing as a foreign corporation, limited liability company or partnership in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed except where the failure to so qualify or be licensed could not reasonably be expected to result in a Material Adverse Effect and (iii) has all requisite corporate, limited liability company or partnership power and authority (including, without limitation, all governmental licenses, permits and other approvals) to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted. All of the outstanding Equity Interests in the Borrower have been validly issued, are fully paid and non-assessable. The Parent Guarantor directly or indirectly owns all of the general partnership interests and more than 60% of the limited partnership interests in the Borrower. All Equity Interests in the Borrower that are directly or indirectly owned by the Parent Guarantor are owned free and clear of all Liens. The Parent Guarantor is organized in conformity with the requirements for qualification as a REIT under the Internal Revenue Code, and its method of operation enables it to meet the requirements for qualification and taxation as a REIT under the Internal Revenue Code. The taxpayer identification number for each Loan Party as of the date of this Agreement is set forth on Schedule 4.01(a) hereto.

(b) Subsidiaries . Set forth on Schedule 4.01(b) hereto is a complete and accurate list of all Subsidiaries of each Loan Party, showing as of the date hereof (as to each such Subsidiary) the jurisdiction of its incorporation, organization or formation, the number of shares (or the equivalent thereof) of each class of its Equity Interests authorized, and the number outstanding, on the date hereof and the percentage of each such class of its Equity Interests owned (directly or indirectly) by such Loan Party and the number of shares (or the equivalent thereof) covered by all outstanding options, warrants, rights of conversion or purchase and similar rights at the date hereof. All of the outstanding Equity Interests in each Loan Party's Subsidiaries has been validly issued,

are fully paid and non-assessable and to the extent owned by such Loan Party or one or more of its Subsidiaries, and with respect to the Subsidiary Guarantors, TRS Holdco and the TRS Lessees, are owned by such Loan Party or Subsidiaries free and clear of all Liens, except for Liens created under the Loan Documents.

(c) Due Authorization; No Conflict . The execution and delivery by each Loan Party and of each general partner or managing member (if any) of each Loan Party of each Loan Document to which it is or is to be a party, and the performance of its obligations thereunder and the other transactions contemplated by the Loan Documents, are within the corporate, limited liability company or partnership powers of such Loan Party, general partner or managing member, have been duly authorized by all necessary corporate, limited liability company or partnership action, and do not (i) contravene the charter or bylaws, operating agreement, partnership agreement or other governing document of such Loan Party, general partner or managing member, (ii) violate any law, rule, regulation (including, without limitation, Regulation X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award, (iii) conflict with or result in the breach of, or constitute a default or require any payment to be made under, any Material Contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting any Loan Party, any of its Subsidiaries or any of their properties, or any general partner or managing member of any Loan Party or (iv) except for the Liens created under the Loan Documents, result in or require the creation or imposition of any Lien upon or with respect to any of the properties of any Loan Party or any of its Subsidiaries. No Loan Party or any of its Subsidiaries is in violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or in breach of any such contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument, the violation or breach of which could reasonably be expected to result in a Material Adverse Effect.

(d) Authorizations and Consents . No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any other third party is required for (i) the due execution, delivery, recordation, filing or performance by any Loan Party or any general partner or managing member of any Loan Party of any Loan Document to which it is or is to be a party or for the consummation the transactions contemplated by the Loan Documents, or (ii) the exercise by the Administrative Agent or any Lender Party of its rights under the Loan Documents, except for authorizations, approvals, actions, notices and filings which have been duly obtained, taken, given or made and are in full force and effect.

(e) Binding Obligation . This Agreement has been, and each other Loan Document when delivered hereunder will have been, duly executed and delivered by each Loan Party and general partner or managing member (if any) of each Loan Party thereto. This Agreement is, and each other Loan Document when delivered hereunder will be, the legal, valid and binding obligation of each Loan Party and general partner or managing member (if any) of each Loan Party thereto, enforceable against such Loan Party, general partner or managing member, as the case may be, in accordance with its terms.

(f) Litigation . There is no action, suit, investigation, litigation or proceeding affecting any Loan Party or any of its Subsidiaries or any general partner or managing member (if

any) of any Loan Party, including any Environmental Action, pending or threatened before any court, governmental agency or arbitrator that (i) could reasonably be expected to result in a Material Adverse Effect (other than the Material Litigation) or (ii) purports to affect the legality, validity or enforceability of any Loan Document or the transactions contemplated by the Loan Documents, and there has been no material adverse change in the status, or financial effect on any Loan Party or any of its Subsidiaries or any general partner or managing member (if any) of any Loan Party, of the Material Litigation from that described on Schedule 4.01(f) hereto.

(g) Financial Condition . The Consolidated balance sheets of the Parent Guarantor as at December 31, 2016 and the related Consolidated statements of income and Consolidated statements of cash flows of the Parent Guarantor for the fiscal year then ended, accompanied by unqualified opinions of Ernst & Young, LLP, independent public accountants, copies of which have been furnished to each Lender Party, fairly present the Consolidated financial condition of the Parent Guarantor as at such date and the Consolidated results of operations of the Parent Guarantor for the periods ended on such date, all in accordance with generally accepted accounting principles applied on a consistent basis. Since December 31, 2016 there has been no Material Adverse Change.

(h) Forecasts . The Consolidated forecasted balance sheets, statements of income and statements of cash flows of the Parent Guarantor and its Subsidiaries delivered to the Lender Parties pursuant to Section 3.01(a)(x) or 5.03 were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair in light of the conditions existing at the time of delivery of such forecasts, and represented, at the time of delivery, the Parent Guarantor's best estimate of its future financial performance.

(i) Full Disclosure . No information, exhibit or report furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender Party in connection with the negotiation and syndication of the Loan Documents or pursuant to the terms of the Loan Documents contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements made therein not misleading. The Loan Parties have disclosed to the Administrative Agent, in writing, any and all existing facts that have or may have (to the extent any of the Loan Parties can now reasonably foresee) a Material Adverse Effect, provided however, that the Loan Parties are not obligated to report on the potential Material Adverse Effect of any general economic condition.

(j) Margin Regulations . No Loan Party is engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Advance will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock.

(k) Certain Governmental Regulations . Neither any Loan Party nor any of its Subsidiaries nor any general partner or managing member of any Loan Party, as applicable, is an "investment company", or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended. Without limiting the generality of the foregoing, each Loan Party and each of its Subsidiaries and each general partner or managing member of any Loan Party, as applicable: (i) is

primarily engaged, directly or through a wholly-owned subsidiary or subsidiaries, in a business or businesses other than that of (A) investing, reinvesting, owning, holding or trading in securities or (B) issuing face-amount certificates of the installment type; (ii) is not engaged in, does not propose to engage in and does not hold itself out as being engaged in the business of (A) investing, reinvesting, owning, holding or trading in securities or (B) issuing face-amount certificates of the installment type; (iii) does not own or propose to acquire investment securities (as defined in the Investment Company Act of 1940, as amended) having a value exceeding forty percent (40%) of the value of such company's total assets (exclusive of government securities and cash items) on an unconsolidated basis; (iv) has not in the past been engaged in the business of issuing face-amount certificates of the installment type; and (v) does not have any outstanding face-amount certificates of the installment type. Neither the making of any Advances, nor the application of the proceeds or repayment thereof by the Borrower, nor the consummation of the other transactions contemplated by the Loan Documents, will violate any provision of any such Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

(l) Materially Adverse Agreements. Neither any Loan Party nor any of its Subsidiaries is a party to any indenture, loan or credit agreement or any lease or other agreement or instrument or subject to any charter, corporate, partnership, membership or other governing restriction that could reasonably be expected to result in a Material Adverse Effect (absent a material default under a Material Contract).

(m) [Intentionally Omitted].

(n) Existing Debt. Set forth on Schedule 4.01(n) hereto is a complete and accurate list of all Existing Debt, showing as of the date hereof the obligor and the principal amount outstanding thereunder, the maturity date thereof and the amortization schedule therefor.

(o) Liens. Set forth on Schedule 4.01(o) hereto is a complete and accurate list of (i) all Liens on the property or assets of any Loan Party or any of its Subsidiaries that directly or indirectly own any Unencumbered Asset, and (ii) all Liens with a principal balance in excess of $250,000 on the property or assets of any Loan Party or any of its Subsidiaries securing Debt for Borrowed Money; in each case showing as of the date hereof the lienholder thereof, the principal amount of the obligations secured thereby and the property or assets of such Loan Party or such Subsidiary subject thereto, provided however, that easements and other real property restrictions, covenants and conditions of record (exclusive of Liens securing Debt) shall not be listed on Schedule 4.01(o).

(p) Real Property. (q) Set forth on Part I of Schedule 4.01(p) hereto is a complete and accurate list of all Real Property owned in fee by any Loan Party or any of its Subsidiaries, showing as of the date hereof, and as of each other date such Schedule 4.01(p) is required to be supplemented hereunder, the street address, state, record owner and book value thereof. Each such Loan Party or Subsidiary has good, marketable and insurable fee simple title to such Real Property, free and clear of all Liens, other than existing Liens and Liens permitted under Section 5.02(a).

(i) Set forth on Part II of Schedule 4.01(p) hereto is a complete and accurate list of all leases of Real Property under which any Loan Party or any of its

Subsidiaries is the lessee, including, without limitation, the Operating Leases, showing as of the date hereof, and as of each other date such Schedule 4.01(p) is required to be supplemented hereunder, the street address, state, lessor, lessee, expiration date and annual rental cost thereof. Each such lease is the legal, valid and binding obligation of the lessor thereof, enforceable in accordance with its terms.

(ii) Each Unencumbered Asset is operated and managed by an Approved Manager pursuant to a Management Agreement listed on Part III of Schedule 4.01(p).

(iii) Each Unencumbered Asset is subject to a Franchise Agreement with an Approved Franchisor as listed on Part IV of Schedule 4.01(p).

(iv) Each Unencumbered Asset satisfies all Unencumbered Asset Pool Conditions.

(r) Environmental Matters. (s) Except as otherwise set forth on Part I of Schedule 4.01(q) hereto, the operations and properties of each Loan Party and each of its Subsidiaries comply in all material respects with all applicable Environmental Laws and Environmental Permits, all past material non-compliance with such Environmental Laws and Environmental Permits has been resolved without ongoing material obligations or costs, and, to the knowledge of each Loan Party and its Subsidiaries, no circumstances exist that could be reasonably likely to (A) form the basis of an Environmental Action against any Loan Party or any of its Subsidiaries or any of their properties that could have a Material Adverse Effect or (B) cause any such property to be subject to any restrictions on ownership, occupancy, use or transferability under any Environmental Law.

(i) Except as otherwise set forth on Part II of Schedule 4.01(q) hereto, none of the properties currently or formerly owned or operated by any Loan Party or any of its Subsidiaries is listed or, to the knowledge of each Loan Party and its Subsidiaries, proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state or local list or is adjacent to any such listed property; there are no underground or above ground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any property currently owned or operated by any Loan Party or any of its Subsidiaries; there is no asbestos or asbestos-containing material on any property currently owned or operated by any Loan Party or any of its Subsidiaries except for any non-friable asbestos-containing material that is being managed pursuant to, and in compliance with, an operations and maintenance plan and that does not currently require removal, remediation, abatement or encapsulation under Environmental Law; and, to the knowledge of each Loan Party and its Subsidiaries, Hazardous Materials have not been released, discharged or disposed of in any material amount or in violation of any Environmental Law or Environmental Permit on any property currently owned or operated by any Loan Party or any of its Subsidiaries or, to the knowledge of each Loan Party and its Subsidiaries, during the period of their ownership or operation thereof, on any property formerly owned or operated by any Loan Party or any of its Subsidiaries.

(ii) Except as otherwise set forth on Part III of Schedule 4.01(q) hereto, neither any Loan Party nor any of its Subsidiaries is undertaking, and has not completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any governmental or regulatory authority or the requirements of any Environmental Law; all Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, any property currently or formerly owned or operated by any Loan Party or any of its Subsidiaries have been disposed of in a manner not reasonably expected to result in a Material Adverse Effect; and, with respect to any property formerly owned or operated by any Loan Party or any of its Subsidiaries, all Hazardous Materials generated, used, treated, handled, stored or transported by or, to the knowledge of each Loan Party and its Subsidiaries, on behalf of any Loan Party or any of its Subsidiaries have been disposed of in a manner that could not reasonably be expected to result in a Material Adverse Effect.

(t) Compliance with Laws. Each Loan Party and each Subsidiary is in compliance with the requirements of all laws, rules and regulations (including, without limitation, the Securities Act and the Securities Exchange Act, and the applicable rules and regulations thereunder, state securities law and "Blue Sky" laws) applicable to it and its business, where the failure to so comply could reasonably be expected to result in a Material Adverse Effect.

(u) Force Majeure. Neither the business nor the Assets of any Loan Party or any of its Subsidiaries are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance) that could reasonably be expected to result in a Material Adverse Effect.

(v) Loan Parties' Credit Decisions. Each Loan Party has, independently and without reliance upon the Administrative Agent or any other Lender Party and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement (and in the case of the Guarantors, to give the guaranty under this Agreement) and each other Loan Document to which it is or is to be a party, and each Loan Party has established adequate means of obtaining from each other Loan Party on a continuing basis information pertaining to, and is now and on a continuing basis will be completely familiar with, the business, condition (financial or otherwise), operations, performance, properties and prospects of such other Loan Party.

(w) Solvency. Each Specified Operating Lessee is, after capital contributions by parent companies, Solvent. Each other Loan Party is, individually and together with its Subsidiaries, Solvent. As of the Closing Date, there are no Specified Operating Lessees.

(x) Sarbanes-Oxley. No Loan Party has made any extension of credit to any of its directors or executive officers in contravention of any applicable restrictions set forth in Section 402(a) of Sarbanes-Oxley.

(y) ERISA Matters . (z) Set forth on Schedule 4.01(w) hereto is a complete and accurate list of all Plans and Welfare Plans.

(i) No ERISA Event has occurred within the preceding five plan years or is reasonably expected to occur with respect to any Plan that has resulted in or is reasonably expected to result in a material liability of any Loan Party or any ERISA Affiliate.

(ii) Schedule B (Actuarial Information) to the most recent annual report (Form 5500 Series) for each Plan, copies of which have been filed with the Internal Revenue Service, is complete and accurate and fairly presents the funding status of such Plan as of the date of such Schedule B, and since the date of such Schedule B there has been no material adverse change in such funding status.

(iii) Neither any Loan Party nor any ERISA Affiliate has incurred or is reasonably expected to incur any Withdrawal Liability to any Multiemployer Plan.

(iv) Neither any Loan Party nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and no such Multiemployer Plan is reasonably expected to be in reorganization or to be terminated, within the meaning of Title IV of ERISA.

(aa) Sanctioned Persons . None of the Loan Parties or any of their respective Subsidiaries nor, to the knowledge any Responsible Officer of the Borrower, any director, officer, agent, employee or Affiliate of any Loan Party or any of its respective Subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC") or any successor to OFAC carrying out similar function or any sanctions under similar laws or requirements administered by the United States Department of State, the United States Treasury, the United Nations Security Council, the European Union or Her Majesty's Treasury (collectively, "Sanctions Laws"); and the Borrower will not directly or indirectly use the proceeds of the Loans or otherwise make available such proceeds to any person, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC or other Sanctions Laws (each such person a "Designated Person"). Neither Borrower, any Guarantor, nor any Subsidiary, director or officer of Borrower or Guarantor or, to the knowledge of Borrower, any Affiliate, agent or employee of Borrower or any Guarantor, has engaged in any activity or conduct which would violate any applicable anti-bribery, anti-corruption or anti-money laundering laws or regulations in any applicable jurisdiction, including without limitation, any Sanctions Laws.

(bb) EEA Financial Institutions . None of the Borrower, any Guarantor, nor their respective Subsidiaries is an EEA Financial Institution.

ARTICLE V
COVENANTS OF THE LOAN PARTIES

SECTION 5.16 Affirmative Covenants . So long as any Advance or any other Obligation of any Loan Party under any Loan Document shall remain unpaid, or any Lender Party shall have any Commitment hereunder, each Loan Party will:

(a) Compliance with Laws, Etc . Comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA and the Racketeer Influenced and Corrupt Organizations Chapter of the Organized Crime Control Act of 1970.

(b) Payment of Taxes, Etc . Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; *provided, however* , that neither the Loan Parties nor any of their Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is the subject of a Good Faith Contest, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(c) Compliance with Environmental Laws . Comply, and cause each of its Subsidiaries and all lessees and other Persons operating or occupying its properties to comply, in all material respects, with all applicable Environmental Laws and Environmental Permits; obtain and renew and cause each of its Subsidiaries to obtain and renew all Environmental Permits necessary for its operations and properties; and conduct, and cause each of its Subsidiaries to conduct, any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties in material compliance with the requirements of all Environmental Laws; *provided, however* , that neither the Loan Parties nor any of their Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is the subject of a Good Faith Contest.

(d) Maintenance of Insurance . Maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which such Loan Party or such Subsidiaries operate.

(e) Preservation of Partnership or Corporate Existence, Etc . Preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its existence (corporate or otherwise), legal structure, legal name, rights (charter and statutory), permits, licenses, approvals, privileges and franchises, except, in the case of Subsidiaries of the Borrower that are not Loan Parties only, if in the reasonable business judgment of such Subsidiary it is in its best economic interest not to preserve and maintain such existence, legal structure, legal name, rights, permits, licenses, approvals, privileges and franchises and such failure is not reasonably likely to result in a Material Adverse Effect (it being understood that the foregoing shall not prohibit, or be violated as a result of any transaction by or involving any Loan Party or Subsidiary thereof otherwise permitted under Section 5.02(d) or (e) below).

(f) Visitation Rights . At any reasonable time and from time to time, permit any of the Administrative Agent or Lender Parties, or any agent or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, any Loan Party (but, in each case not more frequently than one time per year unless an Event of Default shall have occurred and be continuing), and to discuss the affairs, finances and accounts of any Loan Party and any of its Subsidiaries with any of their general partners, managing members, officers or directors and with their independent certified public accountants.

(g) Keeping of Books . Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of such Loan Party and each such Subsidiary in accordance with GAAP.

(h) Maintenance of Properties, Etc . Maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted and will from time to time make or cause to be made all appropriate repairs, renewals and replacement thereof except where failure to do so could not reasonably be expected to result in a Material Adverse Effect.

(i) Transactions with Affiliates . Conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under the Loan Documents with any of their Affiliates (other than transactions exclusively among or between the Borrower and/or one or more of the Guarantors) on terms that are fair and reasonable and no less favorable to such Loan Party or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate, provided however, that all transactions pursuant to any operating leases that are in the standard form of operating lease used by the Borrower's Subsidiaries, shall be deemed fair and reasonable.

(j) Covenant to Guarantee Obligations . (A) Concurrently with the delivery of Unencumbered Asset Designation Package pursuant to Section 5.01(k) with respect to a Proposed Unencumbered Asset owned or leased (including pursuant to an Operating Lease) by a Subsidiary of a Loan Party or (B) within 10 days after the formation or acquisition of any new direct or indirect Subsidiary of a Loan Party which Subsidiary directly owns or leases an Unencumbered Asset (including pursuant to an Operating Lease), cause to be delivered to Administrative Agent with respect to such Subsidiary and any member, manager or general partner thereof as Administrative Agent may request the items described in Section 3.01(a)(v)-(ix) with respect to such Persons, and cause each such Subsidiary to duly execute and deliver to the Administrative Agent a Guaranty Supplement in substantially the form of Exhibit D hereto, or such other guaranty supplement in form and substance reasonably satisfactory to the Administrative Agent, guaranteeing the other Loan Parties' Obligations under the Loan Documents.

(k) Unencumbered Asset Pool Additions . With the Borrower's written notice to the Administrative Agent that any Asset (a " ***Proposed Unencumbered Asset*** ") be added as an Unencumbered Asset, deliver (or cause to be delivered) to the Administrative Agent, at the Borrower's expense, an Unencumbered Asset Designation Package with respect to such Proposed Unencumbered Asset. Provided that the Proposed Unencumbered Asset satisfies the Unencumbered

Asset Pool Conditions and the Borrower, at its expense, delivers all applicable Guarantor Deliverables, the Proposed Unencumbered Asset shall be deemed added as an Unencumbered Asset to the Unencumbered Asset Pool.

(l) Further Assurances .

(i) Promptly upon request by the Administrative Agent, or any Lender Party through the Administrative Agent, correct, and cause each Loan Party to promptly correct, any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof.

(ii) Promptly upon request by the Administrative Agent, or any Lender Party through the Administrative Agent, do, execute, acknowledge, deliver, file, and re-file such certificates, assurances and take such other actions as the Administrative Agent, or any Lender Party through the Administrative Agent, may reasonably require from time to time in order (A) to carry out more effectively the purposes of the Loan Documents, and (B) to assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Lender Parties the rights granted or now or hereafter intended to be granted to the Lender Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so.

(m) Performance of Material Contracts . Perform and observe, and cause each of its Subsidiaries to perform and observe, all the material terms and provisions of each Material Contract to be performed or observed by it, maintain each such Material Contract in full force and effect, enforce each such Material Contract in material accordance with its terms, take all such action to such end as may be from time to time reasonably requested by the Administrative Agent, and, upon reasonable request of the Administrative Agent, make to each other party to each such Material Contract such demands and requests for information and reports or for action as any Loan Party or any of its Subsidiaries is entitled to make under such Material Contract, and cause each of its Subsidiaries to do so. Notwithstanding the above, nothing in this subsection (m) shall prohibit or reduce the rights of any Loan Party or any of their Subsidiaries to enter into, terminate, modify, amend, renew or otherwise deal with any Material Contract to the extent the same does not cause an Unencumbered Asset to not meet the Unencumbered Asset Pool Conditions and, in the aggregate, could not be reasonably be expected to result in a Material Adverse Effect.

(n) Compliance with Leases .

(i) Make all payments and otherwise perform all material obligations in respect of all leases of real property to which the Borrower or any of its Subsidiaries is a party, keep such leases in full force and effect and not allow such leases to lapse or be terminated or any rights to renew such leases to be forfeited or cancelled (except, in the case of the Borrower and Subsidiaries of the Borrower only, if in the reasonable business judgment of such Subsidiary it is in its best economic interest not to maintain such lease or prevent such lapse, termination, forfeiture or cancellation and such

failure to maintain such lease or prevent such lapse, termination, forfeiture or cancellation is not in respect of a Qualifying Ground Lease or an Operating Lease of an Unencumbered Asset and could not otherwise reasonably be expected to result in a Material Adverse Effect), notify the Administrative Agent of any default by any party with respect to such leases and cooperate with the Administrative Agent in all respects to cure any such default, and cause each of its Subsidiaries to do so.

(ii) With respect to any Qualifying Ground Lease related to any Unencumbered Asset:

(A) pay when due the rent and other amounts due and payable thereunder (subject to applicable cure or grace periods);

(B) timely perform and observe all of the material terms, covenants and conditions required to be performed and observed by it as tenant thereunder (subject to applicable cure or grace periods);

(C) do all things necessary to preserve and keep unimpaired such Qualifying Ground Lease and its rights thereunder;

(D) diligently and continuously enforce the material obligations of the lessor or other obligor thereunder;

(E) deliver to the Administrative Agent all default and other material notices received by it or sent by it under the applicable Qualifying Ground Lease;

(F) upon the Administrative Agent's reasonable written request and at reasonable intervals, unless an Event of Default shall have occurred and be continuing, in which case, upon written request at any time, provide to the Administrative Agent any information or materials relating to such Qualifying Ground Lease and evidencing the applicable Subsidiary Guarantor's due observance and performance of its material obligations thereunder;

(G) in connection with the bankruptcy or other insolvency proceedings of any ground lessor or other obligor, ratify the legality, binding effect and enforceability of the applicable Qualifying Ground Lease within the applicable time period therefor in such proceedings, notwithstanding any rejection by such ground lessor or obligor or trustee, custodian or receiver related thereto;

(H) at reasonable times and at reasonable intervals, deliver to the Administrative Agent (or, subject to the requirements of the subject Qualifying Ground Lease, cause the applicable lessor or other obligor to deliver to the Administrative Agent), an estoppel certificate and consent

agreement in relation to such Qualifying Ground Lease in form and substance reasonably acceptable to the Administrative Agent, in its discretion, and, in the case of the estoppel certificate, setting forth (i) the name of lessee and lessor under the Qualifying Ground Lease (if applicable); (ii) that such Qualifying Ground Lease is in full force and effect and has not been modified except to the extent the Administrative Agent has received notice of such modification; (iii) that no rental and other payments due thereunder are delinquent as of the date of such estoppel; and (iv) whether such Person knows of any actual or alleged defaults or events of default under the applicable Qualifying Ground Lease;

provided , that each Loan Party hereby agrees to execute and deliver to the Administrative Agent, within ten (10) days of any request therefor, such documents, instruments, agreements, assignments or other conveyances reasonably requested by the Administrative Agent in connection with or in furtherance of any of the provisions set forth above or the rights granted to the Administrative Agent in connection therewith.

(o) [Intentionally Omitted]

(p) Management Agreements . At all times cause each Unencumbered Asset to be managed and operated by an Approved Manager.

(q) Franchise Agreements . At all times cause each Hotel Asset to be subject to a franchise agreement or similar arrangement with an Approved Franchisor.

(r) Maintenance of REIT Status . In the case of the Parent Guarantor, at all times be organized in conformity with the requirements for qualification as a REIT under the Internal Revenue Code, and at all times continue to qualify as a REIT and elect to be treated as a REIT under all applicable laws, rules and regulations.

(s) Exchange Listing . In the case of the Parent Guarantor, at all times (i) cause its common shares to be duly listed on the New York Stock Exchange, the NYSE MKT or NASDAQ and (ii) timely file all reports required to be filed by it in connection therewith.

(t) Sarbanes-Oxley . Comply at all times with all applicable provisions of Section 402(a) of Sarbanes-Oxley.

(u) [Intentionally Omitted].

(v) [Intentionally Omitted].

(w) Operating Leases . Promptly (i) perform and observe all of the covenants and agreements required to be performed and observed under the Operating Leases and do all things necessary to preserve and to keep unimpaired the Loan Parties' rights thereunder; (ii) notify the Administrative Agent of any default under the Operating Leases of which any Loan Party is aware;

(iii) deliver to the Administrative Agent a copy of any notice of default or other notice received by the Loan Parties under the Operating Leases; and (iv) enforce in all respects the performance and observance of all of the covenants and agreements required to be performed or observed by the applicable lessor under each Operating Lease.

(x) Equal Treatment . (i) Cause the Facility to have equal support as the Existing Credit Facility and any other Unsecured Indebtedness of any of the Loan Parties (whether as borrower, co-borrower, guarantor or otherwise). Without limiting the generality of the foregoing, the Loan Parties shall cause any other Subsidiary or Joint Venture of any Loan Party that is a borrower or co-borrower, guarantees, or otherwise becomes obligated in respect of any Unsecured Indebtedness of any of the Loan Parties, whether as a borrower, co-borrower, guarantor or otherwise (including, without limitation, pursuant to the Existing Credit Agreement), to simultaneously duly execute and deliver to Administrative Agent a Guaranty Supplement in substantially the form of Exhibit D hereto or such other guaranty supplement in form and substance reasonably satisfactory to the Administrative Agent, guaranteeing the Loan Parties' Obligations under the Loan Documents. Furthermore, Borrower shall cause any such Person to satisfy all other representations, covenants and conditions in this Agreement with respect to Guarantors. Furthermore, no Lien may be granted, suffered or incurred on any property, assets or revenue in favor of the lenders, trustees or holders under any Unsecured Indebtedness of any of the Loan Parties (including, without limitation, the Existing Credit Agreement) without effectively providing that all Obligations under the Loan Documents shall be secured equally and ratably with such Unsecured Indebtedness pursuant to agreements in form and substance reasonably satisfactory to Administrative Agent.

(ii) The Borrower may request in writing that the Administrative Agent release, and upon receipt of such request the Administrative Agent shall promptly release, a Person which has become a Guarantor solely pursuant to this Section 5.01(x) from the Guaranty so long as: (a) no Default or Event of Default shall then be in existence or would occur as a result of such release, (b) Administrative Agent shall receive such written request at least five (5) Business Days prior to the requested date of such release (or such shorter period as may be acceptable to the Administrative Agent in its sole discretion), and (c) such Person is no longer required to be a Guarantor pursuant to the terms of Section 5.01(x)(i) or any other provision of this Agreement. Delivery by the Borrower to the Administrative Agent of any such request for a release shall constitute a representation by the Borrower that the matters set forth in the preceding sentence (both as of the date of such request and as of the date of the effectiveness of such request) are true and correct with respect to such request. Notwithstanding the foregoing, the foregoing provisions shall not apply to Parent Guarantor or any owner or lessee of an Unencumbered Asset, which may only be released as otherwise provided in this Agreement.

SECTION 5.17 Negative Covenants . So long as any Advance or any other Obligation of any Loan Party under any Loan Document shall remain unpaid or any Lender Party shall have any Commitment hereunder, no Loan Party will, at any time:

(a) Liens, Etc . Create, incur, assume or suffer to exist, or permit any of its Subsidiaries to create, incur, assume or suffer to exist, any Lien on or with respect to any of its assets of any character (including, without limitation, accounts) whether now owned or hereafter

acquired, or sign or file or suffer to exist, or permit any of its Subsidiaries to sign or file or suffer to exist, under the Uniform Commercial Code of any jurisdiction, a financing statement that names such Loan Party or any of its Subsidiaries as debtor, or sign or suffer to exist, or permit any of its Subsidiaries to sign or suffer to exist, any security agreement authorizing any secured party thereunder to file such financing statement, or assign, or permit any of its Subsidiaries to assign, any accounts or other right to receive income, except, in the case of the Loan Parties (other than the Parent Guarantor) and their respective Subsidiaries:

(i) Liens created under the Loan Documents;

(ii) Permitted Liens;

(iii) Liens described on Schedule 4.01(o) hereto;

(iv) purchase money Liens upon or in equipment acquired or held by such Loan Party or any of its Subsidiaries in the ordinary course of business to secure the purchase price of such equipment or to secure Indebtedness incurred solely for the purpose of financing the acquisition of any such equipment to be subject to such Liens, or Liens existing on any such equipment at the time of acquisition (other than any such Liens created in contemplation of such acquisition that do not secure the purchase price), or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount; *provided, however* , that no such Lien shall extend to or cover any property other than the equipment being acquired, and no such extension, renewal or replacement shall extend to or cover any property not theretofore subject to the Lien being extended, renewed or replaced; provided further that the aggregate principal amount of the Indebtedness secured by Liens permitted by this clause (iv) shall not exceed the amount permitted under Section 5.02(b)(iii)(A);

(v) Liens arising in connection with Capitalized Leases permitted under Section 5.02(b)(iii)(B), *provided* that no such Lien shall extend to or cover any Unencumbered Assets or assets other than the assets subject to such Capitalized Leases;

(vi) Liens on property of a Person existing at the time such Person is acquired by, merged into or consolidated with any Loan Party or any Subsidiary of any Loan Party or becomes a Subsidiary of any Loan Party, *provided* that such Liens were not created in contemplation of such merger, consolidation or acquisition and do not extend to any assets other than those of the Person so merged into or consolidated with such Loan Party or such Subsidiary or so acquired by such Loan Party or such Subsidiary;

(vii) Liens securing Non-Recourse Debt permitted under Section 5.02(b)(iii)(E);

(viii) the replacement, extension or renewal of any Lien permitted by clause (iii) above upon or in the same property theretofore subject thereto in connection with any Refinancing Debt permitted under Section 5.02(b)(iii)(C);

(ix) Liens securing Permitted Recourse Debt permitted under Section 5.02(b)(vi), which Liens do not affect any direct or indirect ownership interest in any Unencumbered Asset; and

(x) Liens securing Debt of the Borrower and its Subsidiaries not expressly permitted by clauses (i) through (viii) above, *provided* that such Liens do not affect any Unencumbered Asset and the amount of Debt secured by such Liens shall not exceed $5,000,000 in the aggregate outstanding at any one time.

(b) Indebtedness . Create, incur, assume or suffer to exist, or permit any of its Subsidiaries to create, incur, assume or suffer to exist, any Indebtedness, except:

(i) Indebtedness under the Loan Documents;

(ii) in the case of any Loan Party or any Subsidiary of a Loan Party, Indebtedness owed to any Loan Party or any wholly owned Subsidiary of any Loan Party, *provided* that, in each case, such Indebtedness (y) shall be on terms reasonably acceptable to the Administrative Agent and (z) shall be evidenced by promissory notes in form and substance reasonably satisfactory to the Administrative Agent, which promissory notes shall (unless payable to the Borrower) by their terms be subordinated to the Obligations of the Loan Parties under the Loan Documents;

(iii) in the case of each Loan Party (other than the Parent Guarantor) and its Subsidiaries,

(A) Indebtedness secured by Liens permitted by Section 5.02(a)(iv) not to exceed in the aggregate $5,000,000 at any time outstanding,

(B) (1) Capitalized Leases not to exceed in the aggregate $5,000,000 at any time outstanding, and (2) in the case of any Capitalized Lease to which any Subsidiary of a Loan Party is a party, any Contingent Obligation of such Loan Party guaranteeing the Obligations of such Subsidiary under such Capitalized Lease,

(C) the Existing Debt described on Schedule 4.01(n) hereto and any Refinancing Debt extending, refunding or refinancing such Existing Debt,

(D) Indebtedness in respect of Hedge Agreements entered into by the Borrower and designed to hedge against fluctuations in interest rates or foreign exchange rates incurred as required by this Agreement or incurred

in the ordinary course of business and consistent with prudent business practices, and

(E) Non-Recourse Debt (including, without limitation, the JV Pro Rata Share of Non-Recourse Debt of any Joint Venture) in respect of Assets, the incurrence of which would not result in a Default under Section 5.04 or any other provision of this Agreement;

(iv) in the case of the Parent Guarantor and the Borrower, Indebtedness under Customary Carve-Out Agreements;

(v) endorsements of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(vi) Permitted Recourse Debt;

(vii) in the case of the Parent Guarantor and the Borrower, any Contingent Obligations consisting of guarantees or indemnities of payment Obligations under any Qualifying Ground Lease, any Franchise Agreements or other agreements related to franchise licenses, management agreements or other agreements related to hotel management contracts, title insurance indemnifications or guarantees, or under any other documents, agreements or contracts approved by the Administrative Agent; and

(viii) any other Indebtedness not to exceed $10,000,000 in the aggregate at any time outstanding in respect of all Loan Parties and their Subsidiaries and which is not secured by any Lien on any Unencumbered Asset.

(c) Change in Nature of Business . Make, or permit any of its Subsidiaries to make, any material change in the nature of its business as carried at the Closing Date (after giving effect to the transactions contemplated by the Loan Documents); or engage in, or permit any of its Subsidiaries to engage in, any business other than ownership, development, licensing and management of Hotel Assets in the United States consistent with the requirements of the Loan Documents, and other business activities incidental thereto.

(d) Mergers, Etc . Merge or consolidate with or into, or convey, transfer (except as permitted by Section 5.02(e)), lease (but not including entry into Operating Leases between Subsidiary Guarantors and TRS Lessees) or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person, or permit any of its Subsidiaries to do so; *provided, however* , that (i) any Subsidiary of a Loan Party may merge or consolidate with or into, or dispose of assets to, any other Subsidiary of such Loan Party (*provided* that if one or more of such Subsidiaries is also a Loan Party, a Loan Party shall be the surviving entity) or any other Loan Party other than the Parent Guarantor (*provided* that such Loan Party or, in the case of any Loan Party other than the Borrower, another Loan Party shall be the surviving entity), and (ii) any Loan Party may merge with any Person that is not a Loan Party so long as such Loan Party is the surviving entity or (except in the case of a merger with the

Borrower or the Parent Guarantor, which shall always be the surviving entity) such other Person is the surviving party and shall promptly become a Loan Party (provided further that the Parent Guarantor shall not merge with a Person that is not a Loan Party unless such merger is with a Person that would be in compliance with Section 5.01(r), and which is the general partner or other owner of a Person simultaneously merging with Borrower or a Subsidiary of Borrower, and the Parent Guarantor is the surviving entity), *provided* , in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom and the requirements in Section 5.01(x) and Section 5.02(p) shall still be complied with. Notwithstanding any other provision of this Agreement, (y) any Subsidiary of a Loan Party (other than the Borrower and any Subsidiary that is the direct owner of an Unencumbered Asset) may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and the assets or proceeds from the liquidation or dissolution of such Subsidiary are transferred to the Borrower or a Guarantor, *provided* that no Default or Event of Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom, and (z) any Loan Party or Subsidiary of a Loan Party shall be permitted to effect any Transfer of Assets through the sale or transfer of direct or indirect Equity Interests in the Person (other than the Borrower or the Parent Guarantor) that owns such Assets so long as Section 5.02(e) would otherwise permit the Transfer of all Assets owned by such Person at the time of such sale or transfer of such Equity Interests. Upon the sale or transfer of Equity Interests in any Person that is a Guarantor permitted under clause (z) above, *provided* that no Default or Event of Default shall have occurred and be continuing or would result therefrom, the Administrative Agent shall, upon the request of the Borrower, release such Guarantor from the Guaranty.

(e) Sales, Etc. of Assets . (f) In the case of the Parent Guarantor, sell, lease, transfer or otherwise dispose of, or grant any option or other right to purchase, lease or otherwise acquire any assets and

(i) in the case of the Loan Parties (other than the Parent Guarantor), sell, lease (other than by entering into Tenancy Leases), transfer or otherwise dispose of, or grant any option or other right to purchase, lease (other than any option or other right to enter into Tenancy Leases) or otherwise acquire, or permit any of its Subsidiaries to sell, lease, transfer or otherwise dispose of, or grant any option or other right to purchase, lease or otherwise acquire (each action described in clauses (i) and (ii) of this subsection (e), including, without limitation, any Sale and Leaseback Transaction, being a " ***Transfer*** "), any Asset or Assets (or any direct or indirect Equity Interests in the owner thereof), in each case other than the following Transfers, which shall be permitted hereunder only so long as no Default or Event of Default shall exist or would result therefrom:

(A) the Transfer of any Asset or Assets, including unimproved land, that are not Unencumbered Assets from any Loan Party to another Loan Party (other than the Parent Guarantor) or from a Subsidiary of a Loan Party to another Subsidiary of such Loan Party or any other Loan Party (other than the Parent Guarantor),

(B) the Transfer of any Asset or Assets that are not Unencumbered Assets to any Person that is not a Loan Party, *provided* that the Loan Parties shall be in compliance with the covenants contained in Section 5.04 both immediately prior to and on a *pro forma* basis immediately after giving effect to such Transfer, on or prior to the date of such Transfer or designation, as the case may be,

(C) the Transfer of any Unencumbered Asset or Unencumbered Assets to any Person, or the designation of an Unencumbered Asset or Unencumbered Assets as a non-Unencumbered Asset or non-Unencumbered Assets, in each case with the intention that such Unencumbered Asset or Unencumbered Assets, upon consummation of such Transfer or designation, shall no longer constitute an Unencumbered Asset or Unencumbered Assets, *provided* that:

(1) immediately after giving effect to such Transfer or designation, as the case may be, the remaining Unencumbered Assets shall continue to satisfy the requirements set forth in clauses (a) through (k) of the definition of Unencumbered Asset Pool Conditions,

(2) the Loan Parties shall be in compliance with the covenants contained in Section 5.04 on a *pro forma* basis immediately after giving effect to such Transfer or designation, and

(3) on or prior to the date of such Transfer or designation, as the case may be, the Borrower shall have delivered to the Administrative Agent (A) a certificate signed by a Responsible Officer of the Borrower, stating that before and after giving effect to such Transfer or designation, as the case may be, the Parent Guarantor shall be in compliance with the covenants contained in Section 5.04(b), together with supporting information in form satisfactory to the Administrative Agent showing the computations used in determining compliance with such covenants, and (B) a certificate of the Chief Financial Officer (or other Responsible Officer performing similar functions) of the Borrower demonstrating compliance with the foregoing clauses (1) through (3) and confirming that no Default or Event of Default shall exist on the date of such Transfer or will result therefrom, together with supporting information in detail reasonably satisfactory to the Administrative Agent, or

(D) the Transfer of (1) obsolete or worn out FF&E in the ordinary course of business or (2) inventory in the ordinary course of business, which FF&E or inventory, as the case may be, is used or held in connection with an Unencumbered Asset.

Following (x) a Transfer of all Unencumbered Assets owned or leased by a Subsidiary Guarantor in accordance with Section 5.02(e)(ii)(C) or (y) the designation by a Subsidiary Guarantor of all Unencumbered Assets owned or leased by it as non-Unencumbered Assets pursuant to Section 5.02(e)(ii)(C), the Administrative Agent shall, upon the request of the Borrower and at the Borrower's expense, promptly release such Subsidiary Guarantor from the Guaranty.

(g) Investments . Make or hold, or permit any of its Subsidiaries to make or hold, any Investment other than:

(i) Investments by the Loan Parties and their Subsidiaries in their Subsidiaries outstanding on the date hereof and additional Investments in wholly-owned Subsidiaries and, in the case of the Loan Parties (other than the Parent Guarantor) and their Subsidiaries (and Joint Ventures in which such Loan Parties and Subsidiaries hold any direct or indirect interest), Investments in Assets (including by asset or Equity Interest acquisitions or investments in Joint Ventures), in each case subject, where applicable, to the limitations set forth in Section 5.02(f)(iv);

(ii) Investments in Cash Equivalents;

(iii) Investments consisting of intercompany Indebtedness permitted under Section 5.02(b)(ii);

(iv) Investments consisting of the following items:

(A) Investments in unimproved land, Real Property that does not constitute Hotel Assets, and Development Assets (including such assets that such Person has contracted to purchase for development with or without options to terminate the purchase agreement),

(B) Investments in Joint Ventures of any Loan Party, and

(C) Loans, advances and extensions of credit (including, without limitation, mezzanine loans) to any Person;

(v) Investments outstanding on the date hereof in Subsidiaries that are not wholly-owned by any Loan Party;

(vi) Investments by the Borrower in Hedge Agreements permitted under Section 5.02(b)(iii)(D);

(vii) To the extent permitted by applicable law, loans or other extensions of credit to officers, directors and employees of any Loan Party or any Subsidiary of any Loan Party in the ordinary course of business, for travel, entertainment, relocation and analogous ordinary business purposes, which Investments shall not exceed at any time $1,000,000 in the aggregate for all Loan Parties;

(viii) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit extended in the ordinary course of business in an aggregate amount for all Loan Parties not to exceed at any time $5,000,000; and

(ix) Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss.

(h) Restricted Payments . In the case of the Parent Guarantor and the Borrower, without the prior consent of the Required Lenders, declare or pay any dividends, purchase, redeem, retire, defease or otherwise acquire for value any of its Equity Interests now or hereafter outstanding, return any capital to its stockholders, partners or members (or the equivalent Persons thereof) as such, make any distribution of assets, Equity Interests, obligations or securities to its stockholders, partners or members (or the equivalent Persons thereof) as such (collectively, " ***Restricted Payments*** "), subject to certain redemption rights of the holders of Equity Interests in the Borrower as more particularly described in the constitutive documents of the Borrower and certain redemption rights of the holders of certain preferred Equity Interests in the Parent Guarantor as described in the articles supplementary that authorize the issuance of the respective classes of such preferred shares, in each case as in effect on the date hereof; *provided, however* , that so long as no Default or Event of Default shall have occurred and be continuing, the Parent Guarantor and the Borrower may make Restricted Payments without the prior consent of the Required Lenders to holders of Equity Interests in the Parent Guarantor and the Borrower, as applicable, to the extent the same would not result in a Default under Section 5.04(a)(iii) (calculated on a *pro forma* basis as of the most recent Test Date) or any other provision of this Agreement.

(i) Amendments of Constitutive Documents . Amend, or permit any of its Subsidiaries to amend, in each case in any material respect, its limited liability company agreement, partnership agreement, certificate of incorporation or bylaws or other constitutive documents, *provided* that (1) any amendment to any such constitutive document that would be adverse to any of the Lender Parties shall be deemed "material" for purposes of this Section; (2) any amendment to any such constitutive document that would designate such Subsidiary that is not a Loan Party as a "special purpose entity" or otherwise confirm such Subsidiary's status as a "special purpose entity" shall be deemed "not material" for purposes of this Section; and (3) in the case of Subsidiaries of the Borrower only, a Subsidiary may amend its constitutive documents if in the reasonable business judgment of such Subsidiary it is in its best economic interest to do so and such amendment is not otherwise prohibited by this Agreement and could not reasonably be expected to result in a Material Adverse Effect.

(j) Accounting Changes . Make or permit, or permit any of its Subsidiaries to make or permit, any change in (i) accounting policies or reporting practices, except as required or permitted by generally accepted accounting principles, or (ii) Fiscal Year.

(k) Speculative Transactions . Engage, or permit any of its Subsidiaries to engage, in any transaction involving commodity options or futures contracts or any similar speculative transactions.

(l) Payment Restrictions Affecting Subsidiaries . Directly or indirectly, enter into or suffer to exist, or permit any of its Subsidiaries to enter into or suffer to exist, any agreement or arrangement limiting the ability of any of its Subsidiaries to declare or pay dividends or other distributions in respect of its Equity Interests or repay or prepay any Indebtedness owed to, make loans or advances to, or otherwise transfer assets to or invest in, the Borrower or any Subsidiary of the Borrower (whether through a covenant restricting dividends, loans, asset transfers or investments, a financial covenant or otherwise), except (i) the Loan Documents, (ii) any agreement or instrument evidencing Non-Recourse Debt or Permitted Recourse Debt, provided that the terms of such Indebtedness, and of such agreement or instrument, do not restrict distributions in respect of Equity Interests in Subsidiaries directly or indirectly owning Unencumbered Assets, and (iii) any agreement in effect at the time such Subsidiary becomes a Subsidiary of the Borrower, so long as such agreement was not entered into solely in contemplation of such Person becoming a Subsidiary of the Borrower.

(m) Amendment, Etc. of Material Contracts . Cancel or terminate any Material Contract or consent to or accept any cancellation or termination thereof, amend or otherwise modify any Material Contract or give any consent, waiver or approval thereunder, waive any default under or breach of any Material Contract, agree in any manner to any other amendment, modification or change of any term or condition of any Material Contract or take any other action in connection with any Material Contract that would impair in any material respect the value of the interest or rights of any Loan Party thereunder or that would impair or otherwise adversely affect in any material respect the interest or rights, if any, of the Administrative Agent or any Lender Party, or permit any of its Subsidiaries to do any of the foregoing, in each case taking into account the effect of any agreements that supplement or serve to substitute for, in whole or in part, such Material Contract, and in the case of (i) a Material Contract not affecting any Unencumbered Asset, in a manner that could reasonably be expected to have a Material Adverse Effect, and (ii) a Material Contract affecting any Unencumbered Asset, in a manner that could reasonably be expected to result in a breach of the Unencumbered Asset Pool Conditions.

(n) Negative Pledge . Enter into or suffer to exist, or permit any of its Subsidiaries to enter into or suffer to exist, any Negative Pledge upon any of its property or assets, except (i) in connection with any Existing Debt, (ii) pursuant to the Loan Documents or (iii) in connection with (A) any Non-Recourse Debt or Permitted Recourse Debt, provided that the terms of such Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, do not provide for or prohibit or condition the creation of any Lien on any Unencumbered Assets and are otherwise permitted by the Loan Documents (provided further that any restriction of the type described in the proviso in the definition of "Negative Pledge" shall not be deemed to violate the foregoing restriction), (B) any purchase money Indebtedness permitted under Section 5.02(b)(iii)(A) solely to the extent that the agreement or instrument governing such Indebtedness prohibits a Lien on the property acquired with the proceeds of such Indebtedness, (C) any Capitalized Lease permitted by Section 5.02(b)(iii)(B) solely to the extent that such Capitalized Lease prohibits a Lien on the property subject thereto, or (D) any Indebtedness outstanding on the date any Subsidiary of the Borrower becomes such a Subsidiary (so long as such agreement was not entered into solely in contemplation of such Subsidiary becoming a Subsidiary of the Borrower).

(o) Parent Guarantor as Holding Company . In the case of the Parent Guarantor, enter into or conduct any business, or engage in any activity (including, without limitation, any action or transaction that is required or restricted with respect to the Borrower and its Subsidiaries under Sections 5.01 and 5.02 without regard to any of the enumerated exceptions to such covenants), other than (i) the holding of the Equity Interests of the Borrower; (ii) the performance of its duties as sole general partner of the Borrower; (iii) the performance of its Obligations (subject to the limitations set forth in the Loan Documents) under each Loan Document to which it is a party; (iv) the making of equity or subordinate debt Investments in the Borrower and its Subsidiaries, *provided* each such Investment shall be on terms acceptable to the Administrative Agent; (v) sales of Equity Interests of the Parent Guarantor not otherwise prohibited by this Agreement and (vi) activities incidental to each of the foregoing.

(p) Development Assets Cap . If the aggregate budgeted costs attributable to all Development Assets exceeds 15% of Total Asset Value, commence the development of any Development Asset as to which development has not yet commenced.

(q) Subsidiary Guarantor Requirements . Cause or permit any Subsidiary Guarantor to (i) incur Indebtedness other than trade payables in the ordinary course of business or otherwise permitted by Section 5.02(b); or (ii) own any Real Property other than Unencumbered Assets, provided, however, that during any period in which Summit Hospitality I, LLC is a Subsidiary Guarantor or an Additional Guarantor, the total outstanding Non-Recourse Debt of Summit Hospitality I, LLC (A) shall consist only of Indebtedness outstanding on January 15, 2016 and (B) shall not at any time exceed $25,000,000 in the aggregate.

(r) Multiemployer Plans . Neither any Loan Party nor any ERISA Affiliate will contribute to or be required to contribute to any Multiemployer Plan.

(s) Ground Leases . With respect to any Qualifying Ground Lease related to any Unencumbered Asset:

(i) waive, excuse or discharge any of the material obligations of the lessor or other obligor thereunder;

(ii) do, permit or suffer (1) any act, event or omission which would be likely to result in a default or permit the applicable lessor or other obligor to terminate or exercise any other remedy with respect to the applicable Qualifying Ground Lease or (2) any act, event or omission which, with the giving of notice or the passage of time, or both, would constitute a default or permit the lessor or such other obligor to exercise any other remedy under the applicable Qualifying Ground Lease;

(iii) cancel, terminate, surrender, modify or amend any of the provisions of any such Qualifying Ground Lease or agree to any termination, amendment, modification or surrender thereof without the prior written consent of the Administrative Agent;

(iv) permit or consent to the subordination of such Qualifying Ground Lease to any mortgage or other leasehold interest of the premises related thereto; or

(v) treat, in connection with the bankruptcy or other insolvency proceedings of any ground lessor or other obligor, any Qualifying Ground Lease as terminated, cancelled or surrendered pursuant to Bankruptcy Law without the Administrative Agent's prior written consent.

(t) Transactions with Affiliates . Enter into any transaction with its Affiliates except (i) with respect to Assets which are not Unencumbered Assets, transactions occurring in the ordinary course of the business of owning and operating hotels, the Lender Parties agree that operating leases, loans, and guaranties of indebtedness are all in the ordinary course of business and (ii) with respect to Unencumbered Assets, subject to the consent of the Administrative Agent, not to be unreasonably withheld, transactions occurring in the ordinary course of the business of owning and operating hotels, and in each case in accordance with Section 5.01(i).

(u) TRS Holdco and TRS Lessees . Permit TRS Holdco to enter into or conduct any business, or engage in any activity (including, without limitation, any action or transaction that is required or restricted with respect to the Borrower and its Subsidiaries under Sections 5.01 and 5.02 without regard to any of the enumerated exceptions to such covenants), other than (i) the holding of the Equity Interests of the TRS Lessees; (ii) the performance of its duties as sole member of the TRS Lessees; (iii) the performance of its Obligations (subject to the limitations set forth in the Loan Documents) under each Loan Document to which it is a party; (iv) the making of equity or subordinate debt Investments in the TRS Lessees, *provided* each such Investment shall be on terms reasonably acceptable to the Administrative Agent; and (v) activities incidental to each of the foregoing.

(v) Sanctioned Persons . Directly or indirectly use or permit or allow any of its Subsidiaries to directly or indirectly use the proceeds of the Loans or otherwise make available such proceeds to any person, for the purpose of financing the activities of any Designated Person or in any manner that would cause any of such persons to violate the United States Foreign Corrupt Practices Act. None of the funds or assets of the Loan Parties that are used to pay any amount due pursuant to this Agreement or the other Loan Documents shall constitute funds obtained from transactions with or relating to Designated Persons or countries which are themselves the subject of territorial sanctions under applicable Sanctions Laws.

(w) More Restrictive Agreements . Enter into or modify any agreements or documents or permit or allow any of its Subsidiaries to enter into or modify any agreements or documents in each case pertaining to any existing or future Unsecured Indebtedness of such Loan Party or such Subsidiaries (including, without limitation, the Existing Credit Agreement), if such agreements or documents include covenants, whether affirmative or negative (or any other provision which may have the same practical effect as any of the foregoing), which are individually or in the aggregate more restrictive against the Loan Parties or their respective Subsidiaries than those set forth in Sections 5.01(o), 5.02(f)(iv), 5.02(g), 5.02(m), 5.02(o) or 5.04 (and including for the purposes hereof, all definitions used in or relating to such sections or definitions) of this Agreement, unless the Loan Parties, the Administrative Agent and the Required Lenders shall have

simultaneously amended this Agreement to include such more restrictive provisions. Each of the Loan Parties agrees to deliver to the Administrative Agent copies of any agreements or documents (or modifications thereof) pertaining to existing or future Unsecured Indebtedness of the Loan Parties and their respective Subsidiaries as the Administrative Agent from time to time may request.

SECTION 5.18 Reporting Requirements. So long as any Advance or any other Obligation of any Loan Party under any Loan Document shall remain unpaid or any Lender Party shall have any Commitment hereunder, the Borrower will furnish to the Administrative Agent and the Lender Parties in accordance with Section 9.02(b):

(a) Default Notice. As soon as possible and in any event within five Business Days after the occurrence of each Default or any event, development or occurrence reasonably expected to result in a Material Adverse Effect continuing on the date of such statement, a statement of the Chief Financial Officer (or other Responsible Officer) of the Parent Guarantor setting forth details of such Default or such event, development or occurrence and the action that the Parent Guarantor has taken and proposes to take with respect thereto.

(b) Annual Financials. As soon as available and in any event within 90 days after the end of each Fiscal Year, a copy of the annual audit report for such year for the Parent Guarantor and its Consolidated Subsidiaries, including therein Consolidated and consolidating balance sheets of the Parent Guarantor and its Subsidiaries as of the end of such Fiscal Year and Consolidated and consolidating statements of income and a Consolidated and consolidating statement of cash flows of the Parent Guarantor and its Subsidiaries for such Fiscal Year (it being acknowledged that a copy of the annual audit report filed by the Parent Guarantor with the Securities and Exchange Commission shall satisfy the foregoing requirements), in each case accompanied by (x) an unqualified opinion acceptable to the Required Lenders of KPMG LLP, Ernst & Young LLP or other independent public accountants of recognized standing reasonably acceptable to the Administrative Agent, and (y) a report of such independent public accountants as to the Borrower's internal controls required under Section 404 of the Sarbanes-Oxley Act of 2002, but only to the extent the Borrower is subject to Section 404, in each case certified in a manner to which the Required Lenders have not objected, together with (i) a schedule in form reasonably satisfactory to the Administrative Agent of the computations used by such accountants in determining, as of the end of such Fiscal Year, compliance with the covenants contained in Section 5.04, provided that in the event of any change in GAAP used in the preparation of such financial statements, the Parent Guarantor shall also provide, if necessary for the determination of compliance with Section 5.04, a statement of reconciliation conforming such financial statements to GAAP and (ii) a certificate of the Chief Financial Officer (or other Responsible Officer) of the Parent Guarantor stating that no Default has occurred and is continuing or, if a Default has occurred and is continuing, a statement as to the nature thereof and the action that the Parent Guarantor has taken and proposes to take with respect thereto.

(c) Quarterly Financials. As soon as available and in any event within 45 days after the end of each of the first three quarters of each Fiscal Year, Consolidated and consolidating balance sheets of the Parent Guarantor and its Subsidiaries as of the end of such quarter and Consolidated and consolidating statements of income and a Consolidated and consolidating

statement of cash flows of the Parent Guarantor and its Subsidiaries for the period commencing at the end of the previous fiscal quarter and ending with the end of such fiscal quarter and Consolidated and consolidating statements of income and a Consolidated and consolidating statement of cash flows of the Parent Guarantor and its Subsidiaries for the period commencing at the end of the previous Fiscal Year and ending with the end of such quarter, setting forth in each case in comparative form the corresponding figures for the corresponding date or period of the preceding Fiscal Year, all in reasonable detail and duly certified (subject to normal year-end audit adjustments) by the Chief Executive Officer, Chief Financial Officer or Treasurer (or other Responsible Officer performing similar functions) of the Parent Guarantor as having been prepared in accordance with GAAP (it being acknowledged that a copy of the quarterly financials filed by the Parent Guarantor with the Securities and Exchange Commission shall satisfy the foregoing requirements), together with (i) a certificate of such officer stating that no Default has occurred and is continuing or, if a Default has occurred and is continuing, a statement as to the nature thereof and the action that the Parent Guarantor has taken and proposes to take with respect thereto and (ii) a schedule in form reasonably satisfactory to the Administrative Agent of the computations used by the Parent Guarantor in determining compliance with the covenants contained in Section 5.04, provided that in the event of any change in GAAP used in the preparation of such financial statements, the Parent Guarantor shall also provide, if necessary for the determination of compliance with Section 5.04, a statement of reconciliation conforming such financial statements to GAAP.

(d) [Intentionally Omitted].

(e) Unencumbered Asset Financials. As soon as available and in any event within 45 days after the end of each quarter, financial information in respect of all Unencumbered Assets, in form and detail reasonably satisfactory to the Administrative Agent.

(f) Annual Budgets. As soon as available and in any event within than 45 days after the end of each Fiscal Year, forecasts prepared by management of the Parent Guarantor, in form reasonably satisfactory to the Administrative Agent, of balance sheets, income statements and cash flow statements on a quarterly basis for the then current Fiscal Year and on an annual basis for each Fiscal Year thereafter until the Termination Date.

(g) Material Litigation. Promptly after the commencement thereof, notice of all actions, suits, investigations, litigation and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting any Loan Party or any of its Subsidiaries of the type described in Section 4.01(f), and promptly after the occurrence thereof, notice of any material adverse change in the status or the financial effect on any Loan Party or any of its Subsidiaries of the Material Litigation from that described on Schedule 4.01(f) hereto.

(h) [Intentionally Omitted].

(i) Real Property. As soon as available and in any event within 45 days after the end of each fiscal quarter of each Fiscal Year, a report supplementing Schedule 4.01(p) hereto, including an identification of all owned and leased real property acquired or disposed of by any Loan Party or any of its Subsidiaries during such fiscal quarter and a description of such other

changes in the information included in Section 4.01(p) as may be necessary for such Schedule to be accurate and complete.

(j) [Intentionally Omitted].

(k) Environmental Conditions. Notice to the Administrative Agent (i) promptly upon obtaining knowledge of any material violation of any Environmental Law affecting any Asset or the operations thereof or the operations of any of its Subsidiaries, (ii) promptly upon obtaining knowledge of any known release, discharge or disposal of any Hazardous Materials at, from, or into any Asset which it reports in writing or is legally required to report in writing to any Governmental Authority and which is material in amount or nature or which could reasonably be expected to materially adversely affect the value of such Asset, (iii) promptly upon its receipt of any written notice of material violation of any Environmental Laws or of any material release, discharge or disposal of Hazardous Materials in violation of any Environmental Laws or any matter that could reasonably be expected to result in an Environmental Action, including a notice or claim of liability or potential responsibility from any third party (including without limitation any federal, state or local governmental officials) and including notice of any formal inquiry, proceeding, demand, investigation or other action with regard to (A) such Loan Party's or any other Person's operation of any Asset in compliance with Environmental Laws, (B) Hazardous Materials contamination on, from or into any Asset, or (C) investigation or remediation of off-site locations at which such Loan Party or any of its predecessors are alleged to have directly or indirectly disposed of Hazardous Materials, or (iv) upon such Loan Party's obtaining knowledge that any expense or loss has been incurred by such Governmental Authority in connection with the assessment, containment, removal or remediation of any Hazardous Materials with respect to which such Loan Party or any Joint Venture could reasonably be expected to incur material liability or for which a Lien may be imposed on any Asset, provided that notice is required only for any of the events described in clauses (i) through (iv) above that could reasonably be expected to result in a Material Adverse Effect, could reasonably be expected to result in a material Environmental Action with respect to any Unencumbered Asset or could reasonably be expected to result in a Lien against any Unencumbered Asset.

(l) Unencumbered Asset Value. Promptly after discovery of any setoff, claim, withholding or defense asserted or effected against any Loan Party, or to which any Unencumbered Asset is subject, which could reasonably be expected to (i) have a material adverse effect on the value of an Unencumbered Asset, (ii) have a Material Adverse Effect or (iii) result in the imposition or assertion of a Lien against any Unencumbered Asset which is not a Permitted Lien, notice to the Administrative Agent thereof.

(m) Compliance with Unencumbered Asset Conditions. Promptly after obtaining actual knowledge of any condition or event which causes any Unencumbered Asset to fail to satisfy any of the Unencumbered Asset Pool Conditions (other than those Unencumbered Asset Pool Conditions, if any, that have theretofore been waived by the Administrative Agent and the Required Lenders with respect to any particular Unencumbered Asset, to the extent of such waiver), notice to the Administrative Agent thereof.

(n) [Intentionally Omitted].

(o) Reconciliation Statements . If, as a result of any change in accounting principles and policies from those used in the preparation of the audited financial statements referred to in Section 4.01(g) and forecasts referred to in Section 4.01(h), the Consolidated and consolidating financial statements and forecasts of the Parent Guarantor and its Subsidiaries delivered pursuant to Section 5.03(b), (c) or (f) will differ in any material respect from the Consolidated and consolidating financial statements that would have been delivered pursuant to such Section had no such change in accounting principles and policies been made, then (i) together with the first delivery of financial statements or forecasts pursuant to Section 5.03(b), (c) or (f) following such change, Consolidated and consolidating financial statements and forecasts of the Parent Guarantor and its Subsidiaries for the fiscal quarter immediately preceding the fiscal quarter in which such change is made, prepared on a *pro forma* basis as if such change had been in effect during such fiscal quarter, and (ii) if requested by Administrative Agent, a written statement of the Chief Executive Officer, Chief Financial Officer or Treasurer (or other Responsible Officer performing similar functions) of the Parent Guarantor setting forth the differences (including any differences that would affect any calculations relating to the financial covenants set forth in Section 5.04) which would have resulted if such financial statements and forecasts had been prepared without giving effect to such change.

(p) [Intentionally Omitted.]

(q) Other Information . Promptly, such other information respecting, and which is reasonably foreseeable to be material to, the business, condition (financial or otherwise), operations, performance, properties or prospects of any Loan Party or any of its Subsidiaries as the Administrative Agent, or any Lender Party through the Administrative Agent, may from time to time reasonably request.

SECTION 5.19 Financial Covenants . So long as any Advance or any other Obligation of any Loan Party under any Loan Document shall remain unpaid or any Lender Party shall have, at any time after the Initial Extension of Credit, any Commitment hereunder, the Parent Guarantor will:

(a) Parent Guarantor Financial Covenants .

(i) Maximum Leverage Ratio . Maintain as of each Test Date a Leverage Ratio of not greater than 6.50:1.00; *provided, however* , that on and after the date of any Leverage Ratio Increase Election, the Parent Guarantor shall maintain as of each Test Date occurring during the period ending not later than the last day of the third (3rd) consecutive fiscal quarter ending after the date of such Leverage Ratio Increase Election, a Leverage Ratio of not greater than 7.00:1.00; provided further that (A) such Leverage Ratio Increase Elections may only occur (1) prior to the Termination Date and (2) not more than two times during the term of the Facility, and (B) such Leverage Ratio Increase Elections may not be consecutive.

(ii) Minimum Consolidated Tangible Net Worth . Maintain at all times a Consolidated Tangible Net Worth of not less than the sum of (a) $1,105,342,000 plus (b) an amount equal to 75% of the net cash proceeds of all issuances or sales of

Equity Interests of the Parent Guarantor or any of its Subsidiaries consummated after September 26, 2017.

(iii) Maximum Dividend Payout Ratio . Maintain as of each Test Date, a Dividend Payout Ratio of equal to or less than (A) 95% or (B) such greater amount as may be required by applicable law to maintain status as a REIT for tax purposes or to avoid the imposition of income or excise taxes.

(iv) Minimum Consolidated Fixed Charge Coverage Ratio . Maintain as of each Test Date a Consolidated Fixed Charge Coverage Ratio of not less than 1.50:1.00.

(v) Maximum Secured Leverage Ratio . Maintain as of each Test Date a ratio of Secured Indebtedness to Total Asset Value equal to not more than 45%.

(vi) Maximum Secured Recourse Leverage Ratio . Maintain as of each Test Date a ratio of Secured Recourse Indebtedness to Total Asset Value equal to not more than 10%.

(b) Unencumbered Asset Pool Financial Covenants .

(i) Maximum Unsecured Leverage Ratio . Maintain at all times an Unsecured Leverage Ratio equal to or less than 60%; *provided, however* , that on and after the date of any Unsecured Leverage Ratio Increase Election, the Parent Guarantor shall maintain as of each Test Date occurring during the period ending not later than the last day of the third (3 rd) consecutive fiscal quarter ending after the date of such Unsecured Leverage Ratio Increase Election, an Unsecured Leverage Ratio equal to or less than 65%; *provided further* that (A) such Unsecured Leverage Ratio Increase Elections may only occur (1) prior to the Termination Date and (2) not more than two times during the term of the Facility, and (B) such Unsecured Leverage Ratio Increase Elections may not be consecutive.

(ii) Minimum Unsecured Interest Coverage Ratio . Maintain as of each Test Date a ratio of Unencumbered Adjusted NOI to Assumed Unsecured Interest Expense equal to or greater than 2.00x.

(iii) Minimum Unencumbered Properties . Maintain at all times at least twenty (20) Unencumbered Assets in the Unencumbered Asset Pool.

To the extent any calculations described in Sections 5.04(a) or 5.04(b) are required to be made on any date of determination other than the last day of a fiscal quarter of the Parent Guarantor, such calculations shall be made on a *pro forma* basis to account for any acquisitions or dispositions of Assets (including in respect of revenues generated by such acquired or disposed of Assets), and the incurrence or repayment of any Debt for Borrowed Money relating to such Assets, that have occurred since the last day of the fiscal quarter of the Parent Guarantor most recently ended. To the extent any calculations described in Sections 5.04(a) or 5.04(b) are required to be made on a

Test Date relating to an Advance, a merger permitted under Section 5.02(d), or a Transfer permitted under Section 5.02(e)(ii)(C), such calculations shall be made on a *pro forma* basis after giving effect to such Advance, merger, Transfer or such other event, as applicable. All such calculations shall be reasonably acceptable to the Administrative Agent.

ARTICLE VI
EVENTS OF DEFAULT

SECTION 6.16 Events of Default. If any of the following events ("***Events of Default***") shall occur and be continuing:

(a) Failure to Make Payments When Due. (i) The Borrower shall fail to pay any principal of any Advance when the same shall become due and payable, (ii) the Borrower shall fail to pay any interest on any Advance within three Business Days after the same becomes due and payable or (iii) any Loan Party shall fail to make any other payment under any Loan Document within five Business Days after the same becomes due and payable.

(b) Breach of Representations and Warranties. Any representation or warranty made by any Loan Party (or any of its officers or the officers of its general partner or managing member, as applicable) under or in connection with any Loan Document shall prove to have been incorrect in any material respect when made or deemed repeated; or

(c) Breach of Certain Covenants. (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 2.14, 5.01(d), (e), (f), (i), (j), (n) (to the extent such failure would permit the lessor under the applicable Qualifying Ground Lease or Operating Lease to terminate such lease), (r), (s), (t), (u), (v) or (x), 5.02, 5.03(a), (g), (k), (l), (m), (n), or 5.04, or (ii) the Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.03(b), (c), (e), (f), (i), or (o) if such failure described in this clause (ii) shall remain unremedied for 15 days after the earlier of the date on which (A) a Responsible Officer becomes aware of such failure or (B) written notice thereof shall have been given to the Borrower by Administrative Agent or any Lender Party; or

(d) Other Defaults under Loan Documents. Any Loan Party shall fail to perform or observe any other term, covenant or agreement contained in any Loan Document on its part to be performed or observed if such failure shall remain unremedied for 30 days after the earlier of the date on which (i) a Responsible Officer becomes aware of such failure or (ii) written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender Party; or

(e) Cross Defaults. (i) Any Loan Party or any Subsidiary thereof shall fail to pay any principal of, premium or interest on or any other amount payable in respect of any Material Debt when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise); or (ii) any other event shall occur or condition shall exist under any agreement or instrument relating to any such Material Debt, if (A) the effect of such event or condition is to permit the acceleration of the maturity of such Material Debt or otherwise permit the holders thereof to cause such Material Debt to mature, and (B) only with respect to Material Debt described in clause (a) or (b) of the definition thereof, such event or condition shall remain

unremedied or otherwise uncured for a period of 30 days; or (iii) the maturity of any such Material Debt shall be accelerated or any such Material Debt shall be declared to be due and payable or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Material Debt shall be required to be made, in each case prior to the stated maturity thereof; or (iv) without limiting the foregoing, the occurrence of any "Event of Default" (as defined in any Existing Credit Agreement) under any Existing Credit Agreement; or

(f) Insolvency Events . Any Loan Party or any Subsidiary thereof shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against any Loan Party or any Subsidiary thereof seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it) that is being diligently contested by it in good faith, either such proceeding shall remain undismissed or unstayed for a period of 60 days or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or any substantial part of its property) shall occur; or any Loan Party or any Subsidiary thereof shall take any corporate action to authorize any of the actions set forth above in this subsection (f); *provided, however* , that, if any of the events or circumstances described in this subsection (f) occur or exist with respect to a Subsidiary of the Borrower that is not a Loan Party (a " ***Debtor Subsidiary*** "), such event(s) or circumstance(s) shall not constitute a Default or an Event of Default so long as (i) such Debtor Subsidiary has no other Debt other than Non-Recourse Debt, (ii) such event(s) or circumstance(s) have not resulted in, and will not result in, any material liability, either individually or in the aggregate, to the Parent, the Borrower or any of their Subsidiaries (exclusive of the Debtor Subsidiary), and (iii) the total assets of such Debtor Subsidiary do not exceed $10,000,000 as of the date such event(s) occur or such circumstance(s) first exist; and (iv) no court of competent jurisdiction has issued an order substantively consolidating the assets and liabilities of such Debtor Subsidiary with those of any other Person; or

(g) Monetary Judgments . Any judgments or orders, either individually or in the aggregate, for the payment of money in excess of $10,000,000 shall be rendered against any Loan Party or any Subsidiary thereof and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; *provided, however* , that any such judgment or order shall not give rise to an Event of Default under this Section 6.01(g) if and so long as (A) the amount of such judgment or order which remains unsatisfied is covered by a valid and binding policy of insurance between the respective Loan Party or Subsidiary and the insurer covering full payment of such unsatisfied amount and (B) such insurer, which shall be rated at least "A" by A.M. Best Company, has been notified, and has not disputed the claim made for payment, of the amount of such judgment or order; or

(h) Non-Monetary Judgments . Any non-monetary judgment or order shall be rendered against any Loan Party or Subsidiary thereof that could reasonably be expected to result in a Material Adverse Effect, and there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(i) Unenforceability of Loan Documents . Any material provision of any Loan Document after delivery thereof pursuant to Section 3.01, 5.01(j) or 5.01(x) shall for any reason (other than pursuant to the terms thereof) cease to be valid and binding on or enforceable against any Loan Party which is party to it, or any such Loan Party shall so state in writing; or

(j) [Intentionally Omitted].

(k) Change of Control . A Change of Control shall occur; or

(l) ERISA Events . Any ERISA Event shall have occurred with respect to a Plan and the sum (determined as of the date of occurrence of such ERISA Event) of the Insufficiency of such Plan and the Insufficiency of any and all other Plans with respect to which an ERISA Event shall have occurred and then exist (or the liability of the Loan Parties and the ERISA Affiliates related to such ERISA Event) exceeds $10,000,000;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Commitments of each Lender Party and the obligation of each Lender Party to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Advances, all interest thereon and all other amounts payable under this Agreement and the other Loan Documents to be forthwith due and payable, whereupon the Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided, however* , that in the event of an actual or deemed entry of an order for relief with respect to any Loan Party under any Bankruptcy Law, (y) the Commitments of each Lender Party and the obligation of each Lender Party to make Advances shall automatically be terminated and (z) the Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Loan Parties.

SECTION 6.17 [Intentionally Omitted] .

ARTICLE VII
GUARANTY

SECTION 7.16 Guaranty; Limitation of Liability .

(a) Each Guarantor, jointly and severally, hereby absolutely, unconditionally and irrevocably guarantees the punctual payment when due, whether at scheduled maturity or on any date of a required prepayment or by acceleration, demand or otherwise, of all Obligations of each

other Loan Party now or hereafter existing under or in respect of the Loan Documents (including, without limitation, any extensions, modifications, substitutions, amendments or renewals of any or all of the foregoing Obligations), whether direct or indirect, absolute or contingent, and whether for principal, interest, premiums, fees, indemnities, contract causes of action, costs, expenses or otherwise, in each case exclusive of all Excluded Swap Obligations (such guaranteed Obligations being the " ***Guaranteed Obligations*** "), and agrees to pay any and all expenses (including, without limitation, fees and expenses of counsel) incurred by the Administrative Agent or any other Lender Party in enforcing any rights under this Agreement or any other Loan Document. Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by any other Loan Party to any Lender Party under or in respect of the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving such other Loan Party. This Guaranty is and constitutes a guaranty of payment and not merely of collection. Notwithstanding anything to the contrary herein, the Lender Parties shall immediately release the guaranty of any Guarantor at such time as the Guarantor has completed Transfers and/or designations in compliance with Section 5.02(e) such that the Guarantor does not own, directly or indirectly any one or more Unencumbered Assets.

(b) Each Guarantor, the Administrative Agent and each other Lender Party and, by its acceptance of the benefits of this Guaranty, each other Lender Party, hereby confirms that it is the intention of all such Persons that this Guaranty and the Obligations of each Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Voidable Transactions Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to this Guaranty and the Obligations of each Guarantor hereunder. To effectuate the foregoing intention, the Guarantors, the Administrative Agent, the other Lender Parties and, by their acceptance of the benefits of this Guaranty, the other Lender Parties hereby irrevocably agree that the Obligations of each Guarantor under this Guaranty at any time shall be limited to the maximum amount as will result in the Obligations of such Guarantor under this Guaranty not constituting a fraudulent transfer or conveyance.

(c) Each Guarantor hereby unconditionally and irrevocably agrees that in the event any payment shall be required to be made to any Lender Party under this Guaranty or any other guaranty, such Guarantor will contribute, to the maximum extent permitted by law, such amounts to each other Guarantor and each other guarantor so as to maximize the aggregate amount paid to the Lender Parties under or in respect of the Loan Documents.

SECTION 7.17 Guaranty Absolute . Each Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of this Agreement and the other Loan Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Administrative Agent or any other Lender Party with respect thereto. The Obligations of each Guarantor under or in respect of this Guaranty are independent of the Guaranteed Obligations or any other Obligations of any other Loan Party under or in respect of this Agreement or the other Loan Documents, and a separate action or actions may be brought and prosecuted against each Guarantor to enforce this Guaranty, irrespective of whether

any action is brought against the Borrower or any other Loan Party or whether the Borrower or any other Loan Party is joined in any such action or actions. The liability of each Guarantor under this Guaranty shall be irrevocable, absolute and unconditional irrespective of, and each Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to, any or all of the following:

(a) any lack of validity or enforceability of any Loan Document or any agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations or any other Obligations of any other Loan Party under or in respect of the Loan Documents, or any other amendment or waiver of or any consent to departure from any Loan Document, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to the Borrower, any other Loan Party or any of their Subsidiaries or otherwise;

(c) any taking, exchange, release or non-perfection of any collateral, or any taking, release or amendment or waiver of, or consent to departure from, any other guaranty, for all or any of the Guaranteed Obligations;

(d) any manner of application of collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any collateral for all or any of the Guaranteed Obligations or any other Obligations of any Loan Party under the Loan Documents or any other assets of any Loan Party or any of its Subsidiaries;

(e) any change, restructuring or termination of the corporate structure or existence of any Loan Party or any of its Subsidiaries;

(f) any failure of the Administrative Agent or any other Lender Party to disclose to any Loan Party any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Loan Party now or hereafter known to the Administrative Agent or such other Lender Party (each Guarantor waiving any duty on the part of the Administrative Agent and each other Lender Party to disclose such information);

(g) the failure of any other Person to execute or deliver this Agreement, any other Loan Document, any Guaranty Supplement or any other guaranty or agreement or the release or reduction of liability of any Guarantor or other guarantor or surety with respect to the Guaranteed Obligations; or

(h) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Administrative Agent or any other Lender Party that might otherwise constitute a defense available to, or a discharge of, any Loan Party or any other guarantor or surety.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by any

Lender Party or any other Person upon the insolvency, bankruptcy or reorganization of the Borrower or any other Loan Party or otherwise, all as though such payment had not been made.

SECTION 7.18 Waivers and Acknowledgments .

(a) Each Guarantor hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of nonperformance, default, acceleration, protest or dishonor and any other notice with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that the Administrative Agent or any other Lender Party protect, secure, perfect or insure any Lien or any property subject thereto or exhaust any right or take any action against any Loan Party or any other Person or any collateral.

(b) Each Guarantor hereby unconditionally and irrevocably waives any right to revoke this Guaranty and acknowledges that this Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

(c) Each Guarantor hereby unconditionally and irrevocably waives (i) any defense arising by reason of any claim or defense based upon an election of remedies by the Administrative Agent or any other Lender Party that in any manner impairs, reduces, releases or otherwise adversely affects the subrogation, reimbursement, exoneration, contribution or indemnification rights of such Guarantor or other rights of such Guarantor to proceed against any of the other Loan Parties, any other guarantor or any other Person or any collateral and (ii) any defense based on any right of set-off or counterclaim against or in respect of the Obligations of such Guarantor hereunder.

(d) Each Guarantor acknowledges that the Administrative Agent may, without notice to or demand upon such Guarantor and without affecting the liability of such Guarantor under this Guaranty, foreclose under any mortgage by nonjudicial sale, and each Guarantor hereby waives any defense to the recovery by the Administrative Agent and the other Lender Parties against such Guarantor of any deficiency after such nonjudicial sale provided that such sale is conducted in accordance with applicable law.

(e) Each Guarantor hereby unconditionally and irrevocably waives any duty on the part of the Administrative Agent or any other Lender Party to disclose to such Guarantor any matter, fact or thing relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower, any other Loan Party or any of their Subsidiaries now or hereafter known by the Administrative Agent or such other Lender Party.

(f) Each Guarantor acknowledges that it will receive substantial direct and indirect benefits from the financing arrangements contemplated by this Agreement and the other Loan Documents and that the waivers set forth in Section 7.02 and this Section 7.03 are knowingly made in contemplation of such benefits.

SECTION 7.19 Subrogation . Each Guarantor hereby unconditionally and irrevocably agrees not to exercise any rights that it may now have or hereafter acquire against the Borrower, any other Loan Party that arise from the existence, payment, performance or enforcement

of such Guarantor's Obligations under or in respect of this Guaranty, this Agreement or any other Loan Document, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of any Lender Party against the Borrower, any other Loan Party or any other insider guarantor or any collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from the Borrower, any other Loan Party, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, unless and until all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been paid in full in cash, all Guaranteed Hedge Agreements shall have expired or been terminated and the Commitments shall have expired or been terminated. If any amount shall be paid to any Guarantor in violation of the immediately preceding sentence at any time prior to the latest of (a) the payment in full in cash of the Guaranteed Obligations and all other amounts payable under this Guaranty, (b) the termination in whole of the Commitments and (c) the latest date of expiration or termination of all Guaranteed Hedge Agreements, such amount shall be received and held in trust for the benefit of the Lender Parties, shall be segregated from other property and funds of such Guarantor and shall forthwith be paid or delivered to the Administrative Agent in the same form as so received (with any necessary endorsement or assignment) to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of the Loan Documents. If (i) any Guarantor shall make payment to any Lender Party of all or any part of the Guaranteed Obligations, (ii) all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been paid in full in cash, (iii) the termination in whole of the Commitments shall have occurred and (iv) all Guaranteed Hedge Agreements shall have expired or been terminated, the Administrative Agent and the other Lender Parties will, at such Guarantor's request and expense, execute and deliver to such Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to such Guarantor of an interest in the Guaranteed Obligations resulting from such payment made by such Guarantor pursuant to this Guaranty.

SECTION 7.20 Guaranty Supplements . Upon the execution and delivery by any Person of a Guaranty Supplement, (i) such Person shall be referred to as an " ***Additional Guarantor*** " and shall become and be a Guarantor hereunder, and each reference in this Agreement to a "Guarantor" or a "Loan Party" shall also mean and be a reference to such Additional Guarantor, and each reference in any other Loan Document to a "Guarantor" shall also mean and be a reference to such Additional Guarantor, and (ii) each reference herein to "this Agreement", "this Guaranty", "hereunder", "hereof" or words of like import referring to this Agreement and this Guaranty, and each reference in any other Loan Document to the "Loan Agreement", "Guaranty", "thereunder", "thereof" or words of like import referring to this Agreement and this Guaranty, shall mean and be a reference to this Agreement and this Guaranty as supplemented by such Guaranty Supplement.

SECTION 7.21 Indemnification by Guarantors .

(a) Without limitation on any other Obligations of any Guarantor or remedies of the Administrative Agent or the Lender Parties under this Agreement, this Guaranty or the other Loan Documents, each Guarantor shall, to the fullest extent permitted by law, indemnify, defend

and save and hold harmless the Administrative Agent, the Joint Lead Arrangers, each other Lender Party and each of their Affiliates and their respective officers, directors, employees, agents and advisors (each, an " ***Indemnified Party*** ") from and against, and shall pay on demand, any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party in connection with or as a result of any failure of any Guaranteed Obligations to be the legal, valid and binding obligations of any Loan Party enforceable against such Loan Party in accordance with their terms.

(b) Each Guarantor hereby also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract, tort or otherwise) to any of the Guarantors or any of their respective Affiliates or any of their respective officers, directors, employees, agents and advisors, and each Guarantor hereby agrees not to assert any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Facility, the actual or proposed use of the proceeds of the Advances, the Loan Documents or any of the transactions contemplated by the Loan Documents.

SECTION 7.22 Subordination . Each Guarantor hereby subordinates any and all debts, liabilities and other Obligations owed to such Guarantor by each other Loan Party (the " ***Subordinated Obligations*** ") to the Guaranteed Obligations to the extent and in the manner hereinafter set forth in this Section 7.07.

(a) Prohibited Payments, Etc . Except during the continuance of a Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to any other Loan Party), each Guarantor may receive regularly scheduled payments or payments made in the ordinary course of business from any other Loan Party on account of the Subordinated Obligations. After the occurrence and during the continuance of any Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to any other Loan Party), however, unless required pursuant to Section 7.07(d), no Guarantor shall demand, accept or take any action to collect any payment on account of the Subordinated Obligations.

(b) Prior Payment of Guaranteed Obligations . In any proceeding under any Bankruptcy Law relating to any other Loan Party, each Guarantor agrees that the Lender Parties shall be entitled to receive payment in full in cash of all Guaranteed Obligations (including all interest and expenses accruing after the commencement of a proceeding under any Bankruptcy Law, whether or not constituting an allowed claim in such proceeding (" ***Post Petition Interest*** ")) before such Guarantor receives payment of any Subordinated Obligations.

(c) Turn-Over . After the occurrence and during the continuance of any Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to any other Loan Party), each Guarantor shall, if the Administrative Agent so requests, collect, enforce and receive payments on account of the Subordinated Obligations as trustee for the Lender Parties and deliver such payments to the Administrative Agent on account of the Guaranteed Obligations (including all Post Petition Interest), together with any necessary endorsements or other

instruments of transfer, but without reducing or affecting in any manner the liability of such Guarantor under the other provisions of this Guaranty.

(d) Administrative Agent Authorization . After the occurrence and during the continuance of any Default (including the commencement and continuation of any proceeding under any Bankruptcy Law relating to any other Loan Party), the Administrative Agent is authorized and empowered (but without any obligation to so do), in its discretion, (i) in the name of each Guarantor, to collect and enforce, and to submit claims in respect of, Subordinated Obligations and to apply any amounts received thereon to the Guaranteed Obligations (including any and all Post Petition Interest), and (ii) to require each Guarantor (A) to collect and enforce, and to submit claims in respect of, Subordinated Obligations and (B) to pay any amounts received on such obligations to the Administrative Agent for application to the Guaranteed Obligations (including any and all Post Petition Interest).

SECTION 7.23 Continuing Guaranty . This Guaranty is a continuing guaranty and shall (a) remain in full force and effect until the latest of (i) the payment in full in cash of the Guaranteed Obligations and all other amounts payable under this Guaranty, (ii) the termination in whole of the Commitments and (iii) the latest date of expiration or termination of all Guaranteed Hedge Agreements, (b) be binding upon the Guarantors, their successors and assigns and (c) inure to the benefit of and be enforceable by the Administrative Agent and the other Lender Parties and their successors, transferees and assigns.

SECTION 7.24 Keepwell . Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its Guaranteed Obligations in respect of Swap Obligations (*provided, however* , that each Qualified ECP Guarantor shall only be liable under this Section 7.09 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 7.09, or otherwise in respect of the Guaranteed Obligations, as it relates to such other Loan Party, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until a discharge of the Guaranteed Obligations. Each Qualified ECP Guarantor intends that this Section 7.09 constitute, and this Section 7.09 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

ARTICLE VIII
THE AGENTS

SECTION 8.16 Authorization and Action . Each Lender Party (in its capacity as a Lender and on behalf of itself and its Affiliates as potential Hedge Banks) hereby appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms hereof and thereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of the Notes), the

Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lender Parties and all holders of Notes; *provided, however* , that the Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to this Agreement or applicable law, including without limitation, for the avoidance of doubt, any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law. The Administrative Agent agrees to give to each Lender Party prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement. Notwithstanding anything to the contrary in any Loan Document, no Person identified as a joint-syndication agent, documentation agent, senior manager, joint-lead arranger or book-running manager, in such Person's capacity as such, shall have any obligations or duties to any Loan Party, the Administrative Agent or any other Lender Party under any of such Loan Documents. In its capacity as the Lender Parties' contractual representative, the Administrative Agent is a "representative" of the Lender Parties as used within the meaning of "Secured Party" under Section 9-102 of the Uniform Commercial Code.

SECTION 8.17 Agents' Reliance, Etc. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with the Loan Documents, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Administrative Agent: (a) may treat the payee of any Note as the holder thereof until the Administrative Agent receives and accepts an Accession Agreement entered into by an Acceding Lender as provided in Section 2.17 or an Assignment and Acceptance entered into by the Lender that is the payee of such Note, as assignor, and an Eligible Assignee, as assignee, as provided in Section 9.07; (b) may consult with legal counsel (including counsel for any Loan Party), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (c) makes no warranty or representation to any Lender Party and shall not be responsible to any Lender Party for any statements, warranties or representations (whether written or oral) made in or in connection with the Loan Documents; (d) shall not have any duty to ascertain or to inquire as to the performance, observance or satisfaction of any of the terms, covenants or conditions of any Loan Document on the part of any Loan Party or the existence at any time of any Default under the Loan Documents or to inspect the property (including the books and records) of any Loan Party; (e) shall not be responsible to any Lender Party for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, any Loan Document or any other instrument or document furnished pursuant thereto; and (f) shall incur no liability under or in respect of any Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, telecopy or telex or other electronic communication) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 8.18 KeyBank and Affiliates . With respect to its Commitments, the Advances made by it and the Notes issued to it, KeyBank shall have the same rights and powers

under the Loan Documents as any other Lender Party and may exercise the same as though it were not an Agent; and the term "Lender Party" or "Lender Parties" shall, unless otherwise expressly indicated, include KeyBank in its individual capacity. KeyBank and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, accept investment banking engagements from and generally engage in any kind of business with, any Loan Party, any Subsidiary of any Loan Party and any Person that may do business with or own securities of any Loan Party or any such Subsidiary, all as if KeyBank were not the Administrative Agent and without any duty to account therefor to the Lender Parties.

SECTION 8.19 Lender Party Credit Decision . Each Lender Party acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender Party and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender Party also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender Party and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement. Nothing in this Agreement or any other Loan Document shall require the Administrative Agent or any of its respective directors, officers, agents or employees to carry out any "know your customer" or other checks in relation to any Person on behalf of any Lender Party and each Lender Party confirms to the Administrative Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Administrative Agent or any of its respective directors, officers, agents or employees.

SECTION 8.20 Indemnification by Lender Parties .

(a) Each Lender Party severally agrees to indemnify the Administrative Agent (to the extent not promptly reimbursed by the Borrower) from and against such Lender Party's ratable share (determined as provided below) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of the Loan Documents or any action taken or omitted by the Administrative Agent under the Loan Documents (collectively, the " ***Indemnified Costs*** "); *provided, however* , that no Lender Party shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct as found in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender Party agrees to reimburse the Administrative Agent promptly upon demand for its ratable share of any costs and expenses (including, without limitation, fees and expenses of counsel) payable by the Borrower under Section 9.04, to the extent that the Administrative Agent is not promptly reimbursed for such costs and expenses by the Borrower. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Costs, this Section 8.05 applies whether any such investigation, litigation or proceeding is brought by any Lender Party or any other Person.

(b) [Intentionally Omitted.]

(c) For purposes of this Section 8.05, the Lender Parties' respective ratable shares of any amount shall be determined, at any time, according to their respective Commitments at such time. The failure of any Lender Party to reimburse the Administrative Agent promptly upon demand for its ratable share of any amount required to be paid by the Lender Parties to the Administrative Agent as provided herein shall not relieve any other Lender Party of its obligation hereunder to reimburse the Administrative Agent for its ratable share of such amount, but no Lender Party shall be responsible for the failure of any other Lender Party to reimburse the Administrative Agent for such other Lender Party's ratable share of such amount. Without prejudice to the survival of any other agreement of any Lender Party hereunder, the agreement and obligations of each Lender Party contained in this Section 8.05 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the other Loan Documents.

SECTION 8.21 Successor Agent . The Administrative Agent may resign at any time by giving 30 days' prior written notice thereof to the Lender Parties and the Borrower. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, on behalf of the Lender Parties, appoint a successor Agent, which shall be a commercial bank organized under the laws of the United States or of any State thereof and having a combined capital and surplus of at least $250,000,000. Upon the acceptance of any appointment as an Agent hereunder by a successor Agent, such successor Agent shall succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under the Loan Documents. If within 45 days after written notice is given of the retiring Agent's resignation under this Section 8.06 no successor Agent shall have been appointed and shall have accepted such appointment, then on such 45th day (i) the retiring Agent's resignation shall become effective, (ii) the retiring Agent shall thereupon be discharged from its duties and obligations under the Loan Documents and (iii) the Required Lenders shall thereafter perform all duties of the retiring Agent under the Loan Documents until such time, if any, as the Required Lenders appoint a successor Agent as provided above. After any retiring Agent's resignation hereunder as an Agent shall have become effective, the provisions of this Article VIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was an Agent under this Agreement.

SECTION 8.22 Relationship of Agent and Lenders . The relationship between the Administrative Agent and the Lenders, and the relationship among the Lenders, is not intended by the parties to create, and shall not create, any trust, joint venture or partnership relation between them.

SECTION 8.23 Plan Assets. Each Lender represents and warrants, for the benefit of, the Administrative Agent, the Joint Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Term Loans or the Commitments. For the purposes of this Section 8.08, "Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in

Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

ARTICLE IX
MISCELLANEOUS

SECTION 9.16 Amendments, Etc.

(a) No amendment or waiver of any provision of this Agreement or the Notes or any other Loan Document, nor consent to any departure by any Loan Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however* , that no amendment, waiver or consent shall, unless in writing and signed by all of the Lenders, do any of the following at any time: (i) modify the definition of Required Lenders or otherwise change the percentage vote of the Lenders required to take any action under this Agreement or any other Loan Document, (ii) release the Borrower with respect to the Obligations or, except to the extent expressly permitted under this Agreement, reduce or limit the obligations of any Guarantor under Article VII or release all or substantially all of the Guarantors or otherwise limit all or substantially all of the Guarantor's liability with respect to the Guaranteed Obligations, (iii) permit the Loan Parties to encumber the Unencumbered Assets, except as expressly permitted in the Loan Documents, (iv) amend this Section 9.01, (v) increase the Commitments of the Lenders or subject the Lenders to any additional obligations (except as set forth in Section 2.17), (vi) forgive or reduce the principal of, or interest (other than default interest) on, the Obligations of the Loan Parties under the Loan Documents or any fees or other amounts payable thereunder, (vii) postpone or extend any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, or (viii) extend the Termination Date in respect of the Facility; *provided further* that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or the other Loan Documents.

(b) In the event that any Lender (a " ***Non-Consenting Lender*** ") shall refuse to consent to a waiver or amendment to, or a departure from, the provisions of this Agreement which requires the consent of all Lenders and that has been consented to by the Administrative Agent and the Required Lenders, then the Borrower shall have the right, upon written demand to such Non-Consenting Lender and the Administrative Agent given within 30 days after the first date on which such consent was solicited in writing from the Lenders by the Administrative Agent (a " ***Consent Request Date*** "), to cause such Non-Consenting Lender to assign its rights and obligations under this Agreement (including, without limitation, its Commitment or Commitments, the Advances owing to it and the Note or Notes, if any, held by it) to an Eligible Assignee designated by the Borrower and approved by the Administrative Agent (such approval not to be unreasonably withheld) (a " ***Replacement Lender*** "), *provided* that (i) as of such Consent Request Date, no Default or Event of Default shall have occurred and be continuing, and (ii) as of the date of the Borrower's written demand to replace such Non-Consenting Lender, no Default or Event of Default shall have

occurred and be continuing other than a Default or Event of Default that resulted solely from the subject matter of the waiver or amendment for which such consent was being solicited from the Lenders by the Administrative Agent. The Replacement Lender shall purchase such interests of the Non-Consenting Lender and shall assume the rights and obligations of the Non-Consenting Lender under this Agreement upon execution by the Replacement Lender of an Assignment and Acceptance delivered pursuant to Section 9.07. Any Lender that becomes a Non-Consenting Lender agrees that, upon receipt of notice from the Borrower given in accordance with this Section 9.01(b) it shall promptly execute and deliver an Assignment and Acceptance with a Replacement Lender as contemplated by this Section. If such Non-Consenting Lender does not execute and deliver to the Administrative Agent a duly completed Assignment and Acceptance and/or any other documentation necessary to reflect such replacement within a period of time deemed reasonable by the Administrative Agent after the later of (i) the date on which the Replacement Lender executes and delivers such Assignment and Acceptance and/or such other documentation and (ii) the date on which the Non-Consenting Lender receives all payments required to be paid to it by this Section 9.01(b), then such Non-Consenting Lender shall be deemed to have executed and delivered such Assignment and Acceptance and/or such other documentation as of such date and the Borrower shall be entitled (but not obligated) to execute and deliver such Assignment and Acceptance and/or such other documentation on behalf of such assigning Lender.

SECTION 9.17 Notices, Etc.

(a) All notices and other communications provided for hereunder shall be either (x) in writing (including telecopier communication) and mailed, telecopied or delivered by hand or by overnight courier service, (y) as and to the extent set forth in Section 9.02(b) and in the proviso to this Section 9.02(a), in an electronic medium and delivered as set forth in Section 9.02(b) or (z) as and to the extent expressly permitted in this Agreement, transmitted by e-mail, provided that such e-mail shall in all cases include an attachment (in PDF format or similar format) containing a legible signature of the person providing such notice, if to the Borrower, at its address at 12600 Hill Country Boulevard, Suite R-100, Austin, Texas 78738, Attention: Christopher Eng and to Hagen, Wilka & Archer, LLP, 600 South Main Avenue, Suite 102, Sioux Falls, SD 57104, Attention: Jennifer L. Larsen or, if applicable, at ceng@shpreit.com and jlarsen@hwalaw.com (and in the case of transmission by e-mail, with a copy by U.S. mail to 12600 Hill Country Boulevard, Suite R-100, Austin, Texas 78738, Attention: Christopher Eng and to Hagen, Wilka & Archer, LLP, 600 South Main Avenue, Suite 102, Sioux Falls, SD 57104, Attention: Jennifer L. Larsen); if to any Initial Lender, at its Domestic Lending Office or, if applicable, at the telecopy number or e-mail address specified opposite its name on Schedule I hereto (and in the case of a transmission by e-mail, with a copy by U.S. mail to its Domestic Lending Office); if to any other Lender Party, at its Domestic Lending Office or, if applicable, at the telecopy number or e-mail address specified in the Assignment and Acceptance or Accession Agreement pursuant to which it became a Lender Party (and in the case of a transmission by e-mail, with a copy by U.S. mail to its Domestic Lending Office); if to the Administrative Agent, at its address at 1200 Abernathy Road, Suite 1550, Atlanta, Georgia 30328, Attention: Daniel Silbert, telecopier number (770) 510-2195, or, if applicable, at Daniel_Silbert@KeyBank.com (and in the case of a transmission by e-mail, with a copy by U.S. mail to 1200 Abernathy Road, N.E., Suite 1550, Atlanta, Georgia 30328, Attention: Daniel Silbert) or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by

such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent. All notices, demands, requests, consents and other communications described in this clause (a) shall be effective (i) if delivered by hand, including any overnight courier service, upon personal delivery, (ii) if delivered by mail, when deposited in the mails, (iii) if delivered by posting to an Approved Electronic Platform, an Internet website or a similar telecommunication device requiring that a user have prior access to such Approved Electronic Platform, website or other device (to the extent permitted by Section 9.02(b) to be delivered thereunder), when such notice, demand, request, consent and other communication shall have been made generally available on such Approved Electronic Platform, Internet website or similar device to the class of Person being notified (regardless of whether any such Person must accomplish, and whether or not any such Person shall have accomplished, any action prior to obtaining access to such items, including registration, disclosure of contact information, compliance with a standard user agreement or undertaking a duty of confidentiality) and such Person has been notified in respect of such posting that a communication has been posted to the Approved Electronic Platform, provided that if requested by any Lender Party, the Administrative Agent shall deliver a copy of the Communications to such Lender Party by e-mail or telecopier and (iv) if delivered by electronic mail or any other telecommunications device, when receipt is confirmed by electronic mail as provided in this clause (a); *provided, however* , that notices and communications to the Administrative Agent pursuant to Article II, III or VIII shall not be effective until received by the Administrative Agent. Delivery by telecopier of an executed counterpart of a signature page to any amendment or waiver of any provision of this Agreement or the Notes or of any exhibit hereto to be executed and delivered hereunder shall be effective as delivery of an original executed counterpart thereof. Each Lender Party agrees (i) to notify the Administrative Agent in writing of such Lender Party's e-mail address to which a notice may be sent by electronic transmission (including by electronic communication) on or before the date such Lender Party becomes a party to this Agreement (and from time to time thereafter to ensure that the Administrative Agent has on record an effective e-mail address for such Lender Party) and (ii) that any notice may be sent to such e-mail address.

(b) Notwithstanding clause (a) (unless the Administrative Agent requests that the provisions of clause (a) be followed) and any other provision in this Agreement or any other Loan Document providing for the delivery of any Approved Electronic Communication by any other means, the Loan Parties shall deliver all Approved Electronic Communications to the Administrative Agent by properly transmitting such Approved Electronic Communications in an electronic/soft medium in a format acceptable to the Administrative Agent to Daniel_Silbert@KeyBank.com or such other electronic mail address (or similar means of electronic delivery) as the Administrative Agent may notify to the Borrower. Nothing in this clause (b) shall prejudice the right of the Administrative Agent or any Lender Party to deliver any Approved Electronic Communication to any Loan Party in any manner authorized in this Agreement or to request that the Borrower effect delivery in such manner.

(c) Each of the Lender Parties and each Loan Party agrees that the Administrative Agent may, but shall not be obligated to, make the Approved Electronic Communications available to the Lender Parties by posting such Approved Electronic Communications on IntraLinks™ , Syndtrak or a substantially similar electronic platform chosen by the Administrative Agent to be its

electronic transmission system (the " ***Approved Electronic Platform*** "). Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time and the Approved Electronic Platform is secured through a single-user-per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lender Parties and each Loan Party acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution. In consideration for the convenience and other benefits afforded by such distribution and for the other consideration provided hereunder, the receipt and sufficiency of which is hereby acknowledged, each of the Lender Parties and each Loan Party hereby approves distribution of the Approved Electronic Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(d) THE APPROVED ELECTRONIC PLATFORM AND THE APPROVED ELECTRONIC COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". NONE OF THE ADMINISTRATIVE AGENT NOR ANY OF ITS DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES WARRANT THE ACCURACY, ADEQUACY OR COMPLETENESS OF THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM AND EACH EXPRESSLY DISCLAIMS ANY LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE ADMINISTRATIVE AGENT OR ANY OF ITS DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES IN CONNECTION WITH THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM.

(e) Each of the Lender Parties and each Loan Party agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Approved Electronic Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally-applicable document retention procedures and policies.

SECTION 9.18 No Waiver; Remedies . No failure on the part of any Lender Party or the Administrative Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 9.19 Costs and Expenses .

(a) Each Loan Party agrees jointly and severally to pay on demand (i) all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery, administration, modification and amendment of the Loan Documents (including, without limitation, (A) all due diligence, collateral review, syndication,

transportation, computer, duplication, appraisal, audit, insurance, consultant, search, filing and recording fees and expenses, (B) the reasonable fees and expenses of counsel for the Administrative Agent with respect thereto (including, without limitation, with respect to reviewing and advising on any matters required to be completed by the Loan Parties on a post-closing basis), with respect to advising the Administrative Agent as to their rights and responsibilities, or the perfection, protection or preservation of rights or interests, under the Loan Documents, with respect to negotiations with any Loan Party or with other creditors of any Loan Party or any of its Subsidiaries arising out of any Default or any events or circumstances that may give rise to a Default and with respect to presenting claims in or otherwise participating in or monitoring any bankruptcy, insolvency or other similar proceeding involving creditors' rights generally and any proceeding ancillary thereto and (C) the reasonable fees and expenses of counsel for the Administrative Agent with respect to the preparation, execution, delivery and review of any documents and instruments at any time delivered pursuant to Sections 3.01, 3.02, 5.01(j), 5.01(k) or 5.01(x) and (ii) all reasonable out-of-pocket costs and expenses of the Administrative Agent, the Joint Lead Arrangers and each Lender Party in connection with any work-out or the enforcement (whether through negotiations, legal proceedings or otherwise) of the Loan Documents, whether in any action, suit or litigation, or any bankruptcy, insolvency or other similar proceeding affecting creditors' rights generally (including, without limitation, the reasonable fees and expenses of counsel for the Administrative Agent and each Lender Party with respect thereto).

(b) Each Loan Party agrees to indemnify, defend and save and hold harmless each Indemnified Party from and against, and shall pay on demand, any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) the Facility, the actual or proposed use of the proceeds of the Advances, the Loan Documents or any of the transactions contemplated thereby or (ii) the actual or alleged presence of Hazardous Materials on any property of any Loan Party or any of its Subsidiaries or any Environmental Action relating in any way to any Loan Party or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 9.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Loan Party, its directors, shareholders or creditors or an Indemnified Party, whether or not any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated by the Loan Documents are consummated. Each Loan Party also agrees not to assert any claim against the Administrative Agent, any Lender Party or any of their Affiliates, or any of their respective officers, directors, employees, agents and advisors, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Facility, the actual or proposed use of the proceeds of the Advances, the Loan Documents or any of the transactions contemplated by the Loan Documents.

(c) If any payment of principal of, or Conversion of, any Eurodollar Rate Advance is made by the Borrower to or for the account of a Lender Party other than on the last day

of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.06, 2.09(b)(i), 2.10(d) or 2.17(e), acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason, or if the Borrower fails to make any payment or prepayment of an Advance for which a notice of prepayment has been given or that is otherwise required to be made, whether pursuant to Section 2.04, 2.06 or 6.01 or otherwise, the Borrower shall, upon demand by such Lender Party (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender Party any amounts required to compensate such Lender Party for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion or such failure to pay or prepay, as the case may be, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender Party to fund or maintain such Advance.

(d) If any Loan Party fails to pay when due any costs, expenses or other amounts payable by it under any Loan Document, including, without limitation, fees and expenses of counsel and indemnities, such amount may be paid on behalf of such Loan Party by the Administrative Agent or any Lender Party, in its sole discretion.

(e) Without prejudice to the survival of any other agreement of any Loan Party hereunder or under any other Loan Document, the agreements and obligations of the Borrower and the other Loan Parties contained in Sections 2.10 and 2.12, Section 7.06 and this Section 9.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under any of the other Loan Documents.

SECTION 9.20 Right of Set-off . Upon (a) the occurrence and during the continuance of any Event of Default and (b) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the Notes due and payable pursuant to the provisions of Section 6.01, the Administrative Agent and each Lender Party and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and otherwise apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Administrative Agent, such Lender Party or such Affiliate to or for the credit or the account of the Borrower or any other party to a Loan Document against any and all of the Obligations of the Borrower or such other party now or hereafter existing under the Loan Documents, irrespective of whether the Administrative Agent or such Lender Party shall have made any demand under this Agreement or any Note or Notes and although such obligations may be unmatured; *provided, however* , that in the event that any Defaulting Lender shall exercise any such right of set-off hereunder, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 9.10 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall promptly provide to the Administrative Agent a written notice describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The Administrative Agent and each Lender Party agrees promptly to notify the Borrower or such other party after any such set-off and application; *provided, however* , that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Administrative Agent and each Lender

Party and their respective Affiliates under this Section 9.05 are in addition to other rights and remedies (including, without limitation, other rights of set-off) that the Administrative Agent, such Lender Party and their respective Affiliates may have. Notwithstanding the above, the Administrative Agent and Lender Parties shall have no right to set off against deposits which are subject to a security interest or rights of another lender, or which are held for the benefit of any Person, including any Subsidiary, that is not party to a Loan Document.

SECTION 9.21 Binding Effect . This Agreement shall become effective when it shall have been executed by the Borrower, each Guarantor named on the signature pages hereto and the Administrative Agent shall have been notified by each Initial Lender that such Initial Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Guarantors named on the signature pages hereto and the Administrative Agent and each Lender Party and their respective successors and assigns, except that neither the Borrower nor any other Loan Party shall have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lender Parties.

SECTION 9.22 Assignments and Participations; Replacement Notes .

(a) Each Lender may (and, if demanded by the Borrower in accordance with Section 9.01(b) will) assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment or Commitments, the Advances owing to it and the Note or Notes held by it); *provided, however* , that (i) each such assignment shall be of a uniform, and not a varying, percentage of all rights and obligations under and in respect of the Facility, (ii) except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender, an Affiliate of any Lender or a Fund Affiliate of any Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the aggregate amount of the Commitments being assigned to such Eligible Assignee pursuant to such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof (or such lesser amount as shall be approved by the Administrative Agent and, so long as no Default shall have occurred and be continuing at the time of effectiveness of such assignment, the Borrower), (iii) each such assignment shall be to an Eligible Assignee, (iv) each such assignment made as a result of a demand by the Borrower pursuant to Section 9.01(b) shall be an assignment of all rights and obligations of the assigning Lender under this Agreement, (v) except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender, an Affiliate of any Lender or a Fund Affiliate of any Lender in which case notice of such assignment shall be provided to the Administrative Agent and the Borrower, no such assignments shall be permitted without the consent of the Administrative Agent (which consent shall not be unreasonably withheld) and (vi) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Note or Notes subject to such assignment and, except if such assignment is being made by a Lender to an Affiliate or Fund Affiliate of such Lender, a processing and recordation fee of $3,500; *provided, however* , that for each such assignment made as a result of a demand by the Borrower pursuant to Section 9.01(b), the Borrower shall pay to the Administrative Agent the applicable processing and recordation fee.

(b) Upon such execution, delivery, acceptance and recording, from and after the effective date specified in such Assignment and Acceptance, (i) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (ii) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (other than its rights under Sections 2.10, 2.12, 7.06, 8.05 and 9.04 to the extent any claim thereunder relates to an event arising prior to such assignment) and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(c) By executing and delivering an Assignment and Acceptance, each Lender Party assignor thereunder and each assignee thereunder confirm to and agree with each other and the other parties thereto and hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender Party makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with any Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, any Loan Document or any other instrument or document furnished pursuant thereto; (ii) such assigning Lender Party makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under any Loan Document or any other instrument or document furnished pursuant thereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Administrative Agent, such assigning Lender Party or any other Lender Party and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to the Administrative Agent by the terms hereof and thereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

(d) The Administrative Agent shall maintain at its address referred to in Section 9.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lender Parties and the Commitment of, and principal amount of the Advances owing to, each Lender Party from time to time (the " ***Register*** "). In addition, the Administrative Agent shall maintain information in the Register regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower,

the Administrative Agent and the Lender Parties may treat each Person whose name is recorded in the Register as a Lender Party hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or the Administrative Agent or any Lender Party at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender Party and an assignee, together with any Note or Notes subject to such assignment, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit E hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower. In the case of any assignment by a Lender, within five Business Days after its receipt of such notice, the Borrower, at its own expense, shall, if requested by the applicable Lender, execute and deliver to the Administrative Agent in exchange for the surrendered Note or Notes a substitute Note to the order of such Eligible Assignee in an amount equal to the Commitment assumed by it under each Facility pursuant to such Assignment and Acceptance and, if any assigning Lender has retained a Commitment hereunder under such Facility, a substitute Note to the order of such assigning Lender in an amount equal to the Commitment retained by it hereunder. Such substitute Note or Notes, if any, shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note or Notes, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of Exhibit A hereto.

(f) [Intentionally Omitted.]

(g) Each Lender Party may sell participations to one or more Persons (other than any Loan Party or any of its Affiliates or any Defaulting Lender or any of its Affiliates) in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitments, the Advances owing to it and the Note or Notes (if any) held by it) in a minimum gross amount of $5,000,000; *provided, however* , that (i) such Lender Party's obligations under this Agreement (including, without limitation, its Commitments) shall remain unchanged, (ii) such Lender Party shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender Party shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrower, the Administrative Agent and the other Lender Parties shall continue to deal solely and directly with such Lender Party in connection with such Lender Party's rights and obligations under this Agreement, (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation. The Borrower agrees that each participant shall be entitled to the benefits of Sections 2.10 and 2.12 (subject to the requirements and limitation therein, including the requirements under Sections 2.12(f) and (g) (it being understood that the documentation required under Sections 2.12(f) and (g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment, provided that, such participant shall not be entitled to receive any greater

payment under Section 2.10 or 2.12 than the applicable Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in law that occurs after the participant acquired the applicable participation. Each Lender Party that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the " ***Participant Register*** "); *provided* that no Lender Party shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, or other obligation is in registered form under section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender Party shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(h) Any Lender Party may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.07, disclose to the assignee or participant or proposed assignee or participant any information relating to the Loan Parties (or any of them) furnished to such Lender Party by or on behalf of any Loan Party; *provided, however* , that prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any Information received by it from such Lender Party on the same terms as provided in Section 9.11.

(i) Notwithstanding any other provision set forth in this Agreement, any Lender Party may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it and the Note or Notes held by it), including in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System or any central bank of any other applicable jurisdiction.

(j) Upon notice to the Borrower from the Administrative Agent or any Lender of the loss, theft, destruction or mutilation of any Lender's Note, the Borrower will execute and deliver, in lieu of such original Note, a replacement promissory note, identical in form and substance to, and dated as of the same date as, the Note so lost, stolen or mutilated, subject to delivery by such Lender to the Borrower of an affidavit of lost note and indemnity in customary form. Upon the execution and delivery of the replacement Note, all references herein or in any of the other Loan Documents to the lost, stolen or mutilated Note shall be deemed references to the replacement Note.

(k) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or

subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable Pro Rata Share of the Defaulting Lender of Advances not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full Pro Rata Share of all Advances in accordance with the Defaulting Lender's Pro Rate Share. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this Section 9.07(k), then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

SECTION 9.23 Execution in Counterparts . This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of an original executed counterpart of this Agreement.

SECTION 9.24 [Intentionally Omitted].

SECTION 9.25 Defaulting Lenders .

(a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders.

(ii) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VI or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.05 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, [reserved]; third, [reserved]; fourth, as the Borrower may request (so long as no Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Advances under this Agreement; sixth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this

Agreement; seventh, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Advances in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made at a time when the conditions set forth in Section 3.01 and 3.02, as applicable, were satisfied (or waived in writing), such payment shall be applied solely to pay the Advances of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any the Advances of such Defaulting Lender until such time as all Advances are held by the Lenders pro rata in accordance with the Commitments under the Facility. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 9.10(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) [Intentionally Omitted.]

(iv) [Intentionally Omitted.]

(v) [Intentionally Omitted.]

(b) If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, such Lender will, to the extent applicable, purchase at par that portion of outstanding Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Advances to be held pro rata by the Lenders in accordance with Pro Rata Share of the Commitments under the Facility, whereupon such Lender will cease to be a Defaulting Lender; *provided, however* , that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender; and provided further that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender having been a Defaulting Lender.

(c) [Intentionally Omitted.]

(d) [Intentionally Omitted.]

(e) [Intentionally Omitted.]

SECTION 9.26 Confidentiality .

(a) Each of the Administrative Agent and the Lender Parties agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its Affiliates and to its and its Affiliates' respective managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (iv) to any other party hereto, (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions at least as restrictive as those of this Section, (vii) to any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement, (viii) to any actual or prospective party (or its managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (ix) to any rating agency, (x) the CUSIP Service Bureau or any similar organization, (xi) with the consent of the Borrower or (xii) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section or (B) becomes available to the Administrative Agent, such Lender Party or any of their respective Affiliates on a non-confidential basis from a source other than the Parent Guarantor or any of its Subsidiaries without the Administrative Agent, such Lender Party or any of their respective Affiliates having knowledge that a duty of confidentiality to the Parent Guarantor or any of its Subsidiaries has been breached. For purposes of this Section, " ***Information*** " means all information received from the Parent Guarantor or any of its Subsidiaries (including the Fee Letter and any information obtained based on a review of the books and records of the Parent Guarantor or any of its Subsidiaries) relating to the Parent Guarantor or any of its Subsidiaries or any of their respective businesses. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) Certain of the Lender Parties may enter into this Agreement and take or not take action hereunder or under the other Loan Documents on the basis of information that does not contain material non-public information with respect to any of the Parent Guarantor, any or its Subsidiaries or their respective securities (" ***Restricting Information*** "). Other Lender Parties may enter into this Agreement and take or not take action hereunder or under the other Loan Documents on the basis of information that may contain Restricting Information. Each Lender Party acknowledges that United States federal and state securities laws prohibit any person from purchasing or selling securities on the basis of material, non-public information concerning the issuer of such securities or, subject to certain limited exceptions, from communicating such information to any other Person. None of the Administrative Agent or any of its respective directors, officers, agents or employees shall, by making any Communications (including Restricting Information) available to a Lender Party, by participating in any conversations or other interactions

with a Lender Party or otherwise, make or be deemed to make any statement with regard to or otherwise warrant that any such information or Communication does or does not contain Restricting Information nor shall the Administrative Agent or any of its respective directors, officers, agents or employees be responsible or liable in any way for any decision a Lender Party may make to limit or to not limit its access to Restricting Information. In particular, none of the Administrative Agent or any of its respective directors, officers, agents or employees (i) shall have, and the Administrative Agent, on behalf of itself and each of its directors, officers, agents and employees, hereby disclaims, any duty to ascertain or inquire as to whether or not a Lender Party has or has not limited its access to Restricting Information, such Lender Party's policies or procedures regarding the safeguarding of material, nonpublic information or such Lender Party's compliance with applicable laws related thereto or (ii) shall have, or incur, any liability to any Loan Party, any Lender Party or any of their respective Affiliates, directors, officers, agents or employees arising out of or relating to the Administrative Agent or any of its respective directors, officers, agents or employees providing or not providing Restricting Information to any Lender Party, other than as found by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Administrative Agent or any of its respective directors, officers, agents or employees.

(c) Each Loan Party agrees that (i) all Communications it provides to the Administrative Agent intended for delivery to the Lender Parties whether by posting to the Approved Electronic Platform or otherwise shall be clearly and conspicuously marked "PUBLIC" if such Communications are determined by the Loan Parties in good faith not to contain Restricting Information which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof, (ii) by marking Communications "PUBLIC," each Loan Party shall be deemed to have authorized the Administrative Agent and the Lender Parties to treat such Communications as either publicly available information or not material information (although such Communications shall remain subject to the confidentiality undertakings of Section 9.11(a)) with respect to such Loan Party or its securities for purposes of United States Federal and state securities laws, (iii) all Communications marked "PUBLIC" may be delivered to all Lender Parties and may be made available through a portion of the Approved Electronic Platform designated "Public Side Information" and (iv) the Administrative Agent shall be entitled to treat any Communications that are not marked "PUBLIC" as Restricting Information and may post such Communications to a portion of the Approved Electronic Platform not designated "Public Side Information" (and shall not post such Communications to a portion of the Approved Electronic Platform designated "Public Side Information"). Neither the Administrative Agent nor any of its Affiliates shall be responsible for any statement or other designation by a Loan Party regarding whether a Communication contains or does not contain material non-public information with respect to any of the Loan Parties or their securities nor shall the Administrative Agent or any of its Affiliates incur any liability to any Loan Party, any Lender Party or any other Person for any action taken by the Administrative Agent or any of its respective Affiliates based upon such statement or designation, including any action as a result of which Restricting Information is provided to a Lender Party that may decide not to take access to Restricting Information. Nothing in this Section 9.11(c) shall modify or limit a Person's obligations under Section 9.11 with regard to Communications and the maintenance of the confidentiality of or other treatment of Information.

(d) Each Lender Party acknowledges that circumstances may arise that require it to refer to Communications that might contain Restricting Information. Accordingly, each Lender Party agrees that it will nominate at least one designee to receive Communications (including Restricting Information) on its behalf and identify such designee (including such designee's contact information) in writing to the Administrative Agent. Each Lender Party agrees to notify the Administrative Agent from time to time of such Lender Party's designee's e-mail address to which notice of the availability of Restricting Information may be sent by electronic transmission.

(e) Each Lender Party acknowledges that Communications delivered hereunder and under the other Loan Documents may contain Restricting Information and that such Communications are available to all Lender Parties generally. Each Lender Party that elects not to take access to Restricting Information does so voluntarily and, by such election, acknowledges and agrees that the Administrative Agent and other Lender Parties may have access to Restricting Information that is not available to such electing Lender Party. Each such electing Lender Party acknowledges the possibility that, due to its election not to take access to Restricting Information, it may not have access to any Communications (including, without being limited to, the items required to be made available to the Administrative Agent in Section 5.03 unless or until such Communications (if any) have been filed or incorporated into documents which have been filed with the Securities and Exchange Commission by the Parent). None of the Loan Parties, the Administrative Agent or any Lender Party with access to Restricting Information shall have any duty to disclose such Restricting Information to such electing Lender Party or to use such Restricting Information on behalf of such electing Lender Party, and shall not be liable for the failure to so disclose or use, such Restricting Information.

(f) Sections 9.11(b), (c), (d) and (e) are designed to assist the Administrative Agent, the Lender Parties and the Loan Parties, in complying with their respective contractual obligations and applicable law in circumstances where certain Lender Parties express a desire not to receive Restricting Information notwithstanding that certain Communications hereunder or under the other Loan Documents or other information provided to the Lender Parties hereunder or thereunder may contain Restricting Information. None of the Administrative Agent or any of its respective directors, officers, agents or employees warrants or makes any other statement with respect to the adequacy of such provisions to achieve such purpose nor does the Administrative Agent or any of its respective directors, officers, agents or employees warrant or make any other statement to the effect that a Loan Party's or Lender Party's adherence to such provisions will be sufficient to ensure compliance by such Loan Party or Lender Party with its contractual obligations or its duties under applicable law in respect of Restricting Information and each of the Lender Parties and each Loan Party assumes the risks associated therewith.

SECTION 9.27 [Intentionally Omitted].

SECTION 9.28 Patriot Act Notification . Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the " ***Patriot Act*** "), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of such Loan Party and other information

that will allow such Lender or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the Patriot Act. The Parent Guarantor and the Borrower shall, and shall cause each of their Subsidiaries to, provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by the Administrative Agent or any Lender in order to assist the Administrative Agent and the Lenders in maintaining compliance with the Patriot Act.

SECTION 9.29 Jurisdiction, Etc.

(a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in City, County and State of New York and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any of the other Loan Documents to which it is a party, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or any of the other Loan Documents in the courts of any jurisdiction.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any of the other Loan Documents to which it is a party in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

SECTION 9.30 GOVERNING LAW. THIS AGREEMENT AND THE NOTES SHALL PURSUANT TO NEW YORK GENERAL OBLIGATIONS LAW 5-1401 BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 9.31 WAIVER OF JURY TRIAL. EACH OF THE BORROWER, THE OTHER LOAN PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDER PARTIES IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS, THE ADVANCES OR THE ACTIONS OF THE ADMINISTRATIVE AGENT OR ANY LENDER PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

SECTION 9.32 ACKNOWLEDGEMENT AND CONSENT TO BAIL-IN OF EEA FINANCIAL INSTITUTIONS. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document,

to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

SECTION 9.33 Waiver of Claims . Borrower and Guarantors acknowledge, represent and agree that neither Borrower nor any Guarantor as of the date hereof has any defenses, setoffs, claims, counterclaims or causes of action of any kind or nature whatsoever with respect to the Loan Documents or the "Loan Documents" (as defined with Original Credit Agreement), the administration or funding of the Term Loan Advances or the "Term Loan Advances" (as defined in the Original Credit Agreement), or with respect to any acts or omissions of Administrative Agent or any Lender (whether under the Loan Documents or the "Loan Documents" (as defined in the Original Credit Agreement)), or any past or present officers, agents or employees of Administrative Agent or any Lender, and Borrower does hereby expressly waive, release and relinquish any and all such defenses, setoffs, claims, counterclaims and causes of action, if any.

SECTION 9.34 CONSENT TO AMENDMENT AND RESTATEMENT; EFFECT OF AMENDMENT AND RESTATEMENT . Pursuant to Section 9.01 of the Original Credit Agreement, KeyBank as Administrative Agent under, and as defined in, the Original Credit Agreement and each Lender under, and as defined in, the Original Credit Agreement hereby consents to the amendment and restatement of the Original Credit Agreement pursuant to the terms of this Agreement, and the execution of the other Loan Documents. The Lenders authorize Administrative Agent to enter into the other Loan Documents. The parties hereto acknowledge and agree that entering into this Agreement, and the other Loan Documents, does not constitute a novation of the Original Credit Agreement or the other Loan Documents (as defined in the Original Credit Agreement) or a novation, termination, extinguishment or discharge of the "Obligations" under the Original Credit Agreement or such other Loan Documents, which remain outstanding as of the Closing Date. All interest and fees accrued and unpaid under the Original Credit Agreement as of

the date of this Agreement shall be due and payable in the amount determined pursuant to the Original Credit Agreement for periods prior to the Closing Date on the next payment date for such interest or fee set forth in this Agreement.

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

BORROWER :

SUMMIT HOTEL OP, LP,
a Delaware limited partnership

By: SUMMIT HOTEL GP, LLC,
a Delaware limited liability company,
its general partner

By: SUMMIT HOTEL PROPERTIES, INC.,
a Maryland corporation,
its sole member

By: */s/ Christopher Eng*
Name: Christopher Eng
Title: Secretary

PARENT GUARANTOR:

SUMMIT HOTEL PROPERTIES, INC.,
a Maryland corporation,

By: */s/ Christopher Eng*
Name: Christopher Eng
Title: Secretary

SUBSIDIARY GUARANTORS:

Summit Hospitality I, LLC,
Summit Hospitality VI, LLC,
Summit Hospitality VIII, LLC,
Summit Hospitality IX, LLC,
Summit Hospitality 17, LLC,
Summit Hospitality 18, LLC,
Summit Hospitality 25, LLC,
Summit Hospitality 057, LLC,
Summit Hospitality 060, LLC,
Summit Hospitality 084, LLC,
Summit Hospitality 100, LLC,
Summit Hospitality 114, LLC,
Summit Hospitality 117, LLC,
Summit Hospitality 118, LLC,
Summit Hospitality 119, LLC,
Summit Hospitality 121, LLC,
Summit Hospitality 122, LLC,
Summit Hospitality 123, LLC,
Summit Hospitality 126, LLC,
Summit Hospitality 127, LLC,
Summit Hospitality 128, LLC,
Summit Hospitality 129, LLC,
Summit Hospitality 130, LLC,
Summit Hospitality 131, LLC,
Summit Hospitality 132, LLC,
Summit Hospitality 134, LLC,
Summit Hospitality 135, LLC,
Summit Hospitality 136, LLC,
Summit Hospitality 137, LLC,
Summit Hospitality 138, LLC,
Summit Hospitality 139, LLC,
Summit Hospitality 140, LLC,
Summit Hospitality 141, LLC,
Summit Hospitality 142, LLC,
Summit Hospitality 143, LLC,
Summit Hospitality 144, LLC,
Summit Hospitality 145, LLC,
San Fran JV, LLC,
each a Delaware limited liability company

By: */s/ Christopher Eng*
Name: Christopher Eng
Title: Secretary

Carnegie Hotels, LLC,
a Georgia limited liability company

By */s/ Christopher Eng*
Name: Christopher Eng
Title: Secretary

Summit Hotel TRS 003, LLC
Summit Hotel TRS 005, LLC
Summit Hotel TRS 023, LLC
Summit Hotel TRS 026, LLC
Summit Hotel TRS 030, LLC
Summit Hotel TRS 037, LLC
Summit Hotel TRS 044, LLC
Summit Hotel TRS 045, LLC
Summit Hotel TRS 057, LLC
Summit Hotel TRS 060, LLC
Summit Hotel TRS 062, LLC
Summit Hotel TRS 065, LLC
Summit Hotel TRS 066, LLC
Summit Hotel TRS 084, LLC
Summit Hotel TRS 088, LLC
Summit Hotel TRS 089, LLC
Summit Hotel TRS 090, LLC
Summit Hotel TRS 094, LLC
Summit Hotel TRS 095, LLC
Summit Hotel TRS 096, LLC
Summit Hotel TRS 099, LLC
Summit Hotel TRS 100, LLC
Summit Hotel TRS 102, LLC
Summit Hotel TRS 113, LLC
Summit Hotel TRS 114, LLC
Summit Hotel TRS 117, LLC
Summit Hotel TRS 118, LLC
Summit Hotel TRS 119, LLC
Summit Hotel TRS 121, LLC
Summit Hotel TRS 122, LLC
Summit Hotel TRS 123, LLC
Summit Hotel TRS 126, LLC
Summit Hotel TRS 127, LLC
Summit Hotel TRS 128, LLC
Summit Hotel TRS 129, LLC
Summit Hotel TRS 130, LLC
Summit Hotel TRS 131, LLC
Summit Hotel TRS 132, LLC
Summit Hotel TRS 134, LLC
Summit Hotel TRS 135, LLC
Summit Hotel TRS 136, LLC
Summit Hotel TRS 137, LLC
Summit Hotel TRS 138, LLC
Summit Hotel TRS 139, LLC
Summit Hotel TRS 140, LLC
Summit Hotel TRS 141, LLC
Summit Hotel TRS 142, LLC
Summit Hotel TRS 143, LLC
Summit Hotel TRS 144, LLC
Summit Hotel TRS 145, LLC
By: Summit Hotel TRS, Inc.,
a Delaware corporation, the sole
member of each of the above referenced Delaware limited liability companies

By: */s/ Christopher Eng*
Name: Christopher Eng
Title: Secretary

ADMINISTRATIVE AGENT AND INITIAL LENDER:

KEYBANK NATIONAL ASSOCIATION

By: */s/ Daniel L. Silbert*
Name: Daniel L. Silbert
Title: Sr. Vice President

INITIAL LENDERS :

REGIONS BANK, as a Lender

By: */s/ T. Barrett Vawter*
Name: T. Barrett Vawter
Title: Vice President

RAYMOND JAMES BANK, N.A., as a Lender

By: */s/ Matt Stein*
Name: Matt Stein
Title: Senior Vice President

BRANCH BANKING AND TRUST COMPANY, as a Lender

By: */s/ Ahaz Armstrong*
Name: Ahaz Armstrong
Title: Senior Vice President

CAPITAL ONE, NATIONAL ASSOCIATION, as a Lender

By: */s/ Frederick H. Denecke*
Name: Frederick H. Denecke
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: */s/ Joseph J. Seroke*
Name: Joseph J. Seroke
Title: Vice President

AMERICAN BANK, N.A., as a Lender

By: */s/ Phillip A. Wright*
Name: Phillip A. Wright
Title: Senior Commercial Lender

U.S. BANK NATIONAL ASSOCIATION , as a Lender

By: */s/ Scott C. DeJong*
Name: Scott C. DeJong
Title: Senior Vice President

Schedule I

Commitments and Applicable Lending Offices

Name of Initial Lender	Term Loan Commitment	Domestic Lending Office	Eurodollar Lending Office
KeyBank National Association	$34,000,000.00	1200 Abernathy Road, N.E. Suite 1550 Atlanta, Georgia 30328 Attn: Daniel Silbert Tel: (770) 510-2096 Fax: (770) 510-2195 Email: Daniel_Silbert@keybank.com	1200 Abernathy Road, N.E. Suite 1550 Atlanta, Georgia 30328 Attn: Daniel Silbert Tel: (770) 510-2096 Fax: (770) 510-2195 Email: Daniel_Silbert@keybank.com
Regions Bank	$33,000,000.00	1717 McKinney Avenue Suite 1200 Dallas, Texas 75202 Tel: (469) 608-2787 Fax: (469) 608-2842 Email: Barrett.vawter@regions.com	1717 McKinney Avenue Suite 1200 Dallas, Texas 75202 Tel: (469) 608-2787 Fax: (469) 608-2842 Email: Barrett.vawter@regions.com
Raymond James Bank, N.A.	$33,000,000.00	710 Carillon Parkway St. Petersburg, Florida 33716 Tel: (727) 567-7919 Fax: 1-866-205-1396 Email: James.armstrong@raymondjames.com	710 Carillon Parkway St. Petersburg, Florida 33716 Tel: (727) 567-7919 Fax: 1-866-205-1396 Email: James.armstrong@raymondjames.com
Branch Banking and Trust Company	$33,000,000.00	200 West Second Street 16 th Floor Winston Salem, NC 27101 Tel: (336) 733-2741 Fax: (252) 234-0736 Email: ESEARLS@BBANDT.COM	200 West Second Street 16 th Floor Winston Salem, NC 27101 Tel: (336) 733-2741 Fax: (252) 234-0736 Email: ESEARLS@BBANDT.COM
Capital One, National Association	$33,000,000.00	1680 Capital One Drive, 10th Floor McLean, VA 22102 Attn: Yakovia Jackson Tel: (703) 720-6764 Fax: (703) 720-2032 Email: Yakovia.Jackson@capitalone.com	1680 Capital One Drive, 10th Floor McLean, VA 22102 Attn: Yakovia Jackson Tel: (703) 720-6764 Fax: (703) 720-2032 Email: Yakovia.Jackson@capitalone.com
PNC Bank, National Association	$33,000,000.00	500 First Ave. (Mailstop P7-PFSC04-V) Pittsburgh, PA 15219 Attn: Melissa Krauss Tel: (412) 807-7115 Fax: (888) 614-9134 Email: melissa.krauss@pnc.com	500 First Ave. (Mailstop P7-PFSC04-V) Pittsburgh, PA 15219 Attn: Melissa Krauss Tel: (412) 807-7115 Fax: (888) 614-9134 Email: melissa.krauss@pnc.com
American Bank, N.A.	$16,000,000.00	600 Congress Avenue, Suite 1850 Austin, Texas 78701 Attention: Phillip A. Wright Telecopy Number: (512) 495-1560 Telephone Number: (512) 306-5567 Email: pwright@americanbank.com	600 Congress Avenue, Suite 1850 Austin, Texas 78701 Attention: Phillip A. Wright Telecopy Number: (512) 495-1560 Telephone Number: (512) 306-5567 Email: pwright@americanbank.com
U.S. Bank National Association	$10,000,000.00	777 E. Wisconsin Avenue MK-WI-J3SR Milwaukee, Wisconsin 53202 Tel: (414) 765-5459 Fax: (414) 765-5547 Email: Scott.dejong@usbank.com	777 E. Wisconsin Avenue MK-WI-J3SR Milwaukee, Wisconsin 53202 Tel: (414) 765-5459 Fax: (414) 765-5547 Email: Scott.dejong@usbank.com

Schedule II - Unencumbered Assets

OWNERSHIP ENTITY	CODE	PROPERTY NAME	CLASS	ROOMS	STREET ADDRESS	CITY	COUNTY	STATE	ZIP CODE	FRANCHISOR	STR CHAIN SCALE	TRS HOLDING COMPANY	TRS ENTITY "LESSEE"
Summit Hospitality VI, LLC	003	SpringHill Suites - Minneapolis/St. Paul Airport/Mall of America	Same Store	113	2870 Metro Drive	Bloomington	Hennepin	MN	55425	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 003, LLC
Summit Hospitality VI, LLC	005	Hampton Inn & Suites - Minneapolis/St. Paul Airport/Mall of America	Same Store	146	2860 Metro Drive	Bloomington	Hennepin	MN	55425	Hilton Worldwide	Upper Midscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 005, LLC
Summit Hospitality I, LLC	023	Hampton Inn - Provo	Same Store	87	1511 South 40 East Street	Provo	Utah	UT	84606	Hilton Worldwide	Upper Midscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 023, LLC
Summit Hotel OP, LP	026	Hyatt Place - Phoenix North	Same Store	127	10838 North 25th Avenue	Phoenix	Maricopa	AZ	85029	Hyatt Hotel Corp.	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 026, LLC
San Fran JV, LLC	030	Holiday Inn Express & Suites - San Francisco/Fisherman's Wharf	Same Store	252	550 North Point Street	San Francisco	San Francisco	CA	94133	IHG	Upper Midscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 030, LLC
Summit Hospitality I, LLC	037	Residence Inn - Dallas/Arlington South	Same Store	96	801 Highlander Boulevard	Arlington	Tarrant	TX	76015	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 037, LLC
Summit Hotel OP, LP	044	Country Inn & Suites - Charleston South, WV	Same Store	64	105 Alex Lane	Charleston	Kanawha	WV	25304	Carlson Hospitality	Upper Midscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 044, LLC
Summit Hotel OP, LP	045	Holiday Inn Express - Charleston/Kanawha City	Same Store	66	107 Alex Lane	Charleston	Kanawha	WV	25304	IHG	Upper Midscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 045, LLC
Summit Hospitality 057, LLC	057	Hyatt Place - Minneapolis/Downtown	Same Store	213	425 7th Street South	Minneapolis	Hennepin	MN	55415	Hyatt Hotel Corp.	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 057, LLC
Summit Hospitality 060, LLC	060	Springhill Suites - Nashville MetroCenter	Same Store	78	250 Athens Way	Nashville	Davidson	TN	37228	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 060, LLC
Summit Hospitality 18, LLC	062	Hilton Garden Inn - Minneapolis/Eden Prairie	Same Store	97	6330 Point Chase	Eden Prairie	Hennepin	MN	55344	Hilton Worldwide	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 062, LLC
Summit Hospitality 17, LLC	065	Holiday Inn Express & Suites - Minneapolis/Minnetonka	Same Store	93	10965 Red Circle Drive	Minnetonka	Hennepin	MN	55343	IHG	Upper Midscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 065, LLC
Summit Hospitality I, LLC	066	Courtyard - New Orleans Downtown Near the French Quarter	Same Store	140	124 St. Charles Avenue	New Orleans	Orleans Parish	LA	70130	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 066, LLC
Summit Hospitality 084, LLC	084	Hyatt Place - Portland Airport/Cascade Station	Same Store	135	9750 Northeast Cascades Parkway	Portland	Multnomah	OR	97220	Hyatt Hotel Corp.	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 084, LLC
Summit Hospitality I, LLC	088	Hyatt Place - Fort Myers/at The Forum	Same Store	149	2600 Champion Ring Road	Fort Myers	Lee	FL	33905	Hyatt Hotel Corp.	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 088, LLC
Summit Hospitality IX, LLC	089	Hampton Inn & Suites - Nashville/Smyrna	Same Store	83	2573 Highwood Boulevard	Smyrna	Rutherford	TN	37167	Hilton Worldwide	Upper Midscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 089, LLC
Summit Hospitality VIII, LLC	090	Hilton Garden Inn - Nashville/Smyrna	Same Store	112	2631 Highwood Boulevard	Smyrna	Rutherford	TN	37167	Hilton Worldwide	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 090, LLC
Summit Hospitality I, LLC	094	Staybridge Suites - Denver/Cherry Creek	Same Store	121	4220 East Virginia Avenue	Glendale	Denver	CO	80246	IHG	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 094, LLC
Summit Hospitality I, LLC	095	Holiday Inn - Gwinnett Center	Same Store	143	6310 Sugarloaf Parkway	Duluth	Gwinett	GA	30097	IHG	Upper Midscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 095, LLC
Summit Hospitality I, LLC	096	Hilton Garden Inn - Atlanta NE/Gwinnett Sugarloaf	Same Store	122	2040 Sugarloaf Circle	Duluth	Gwinett	GA	30097	Hilton Worldwide	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 096, LLC
Carnegie Hotels, LLC	099	Courtyard - Atlanta Downtown	Same Store	150	133 Carnegie Way	Atlanta	Fulton	GA	30303	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 099, LLC
Summit Hospitality 100, LLC	100	Hyatt Place - Garden City	Same Store	122	5 North Avenue	Garden City	Nassau	NY	11530	Hyatt Hotel Corp.	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 100, LLC
Summit Hospitality I, LLC	102	Courtyard - New Orleans Downtown/Convention Center	Same Store	202	300 Julia Street	New Orleans	Orleans Parish	LA	70130	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 102, LLC
Summit Hospitality 25, LLC	113	Hilton Garden Inn - Houston/Galleria Area	Same Store	182	3201 Sage Road	Houston	Harris	TX	77056	Hilton Worldwide	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 113, LLC
Summit Hospitality 114, LLC	114	DoubleTree - San Francisco Airport North	Same Store	210	5000 Sierra Point Parkway	Brisbane	San Mateo	CA	94005	Hilton Worldwide	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 114, LLC
Summit Hospitality 117, LLC	117	Hampton Inn & Suites - Austin/Downtown/Convention Center	Same Store	209	200 San Jacinto Boulevard	Austin	Travis	TX	78701	Hilton Worldwide	Upper Midscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 117, LLC
Summit Hospitality 118, LLC	118	Hampton Inn & Suites - Minneapolis/Downtown	Same Store	211	19 North 8th Street	Minneapolis	Hennepin	MN	55403	Hilton Worldwide	Upper Midscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 118, LLC
Summit Hospitality 119, LLC	119	Residence Inn - Bridgewater/Branchburg	Same Store	101	3241 Route 22 East	Branchburg	Somerset	NJ	08876	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 119, LLC
Summit Hospitality 121, LLC	121	Residence Inn - Baltimore/Hunt Valley	Same Store	141	45 Schilling Rd	Hunt Valley	Baltimore	MD	21031	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 121, LLC
Summit Hospitality 122, LLC	122	Hampton Inn - Boston/Norwood	Same Store	139	434 Providence Highway (Rt. 1)	Norwood	Norfolk	MA	02062	Hilton Worldwide	Upper Midscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 122, LLC
Summit Hospitality 123, LLC	123	Hotel Indigo - Asheville Downtown	Same Store	115	151 Haywood Street	Asheville	Buncombe	NC	28801	IHG	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 123, LLC
Summit Hospitality 126, LLC	126	Courtyard - Atlanta Decatur Downtown/Emory	Same Store	179	130 Clairemont Avenue	Decatur	De Kalb	GA	30030	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 126, LLC
Summit Hospitality 127, LLC	127	Courtyard - Nashville Vanderbilt/West End	Acquisition	225	1901 West End Avenue	Nashville	Davidson	TN	37203	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 127, LLC
Summit Hospitality 128, LLC	128	Residence Inn - Atlanta Midtown/Peachtree at 17th	Acquisition	160	1365 Peachtree Street Northeast	Atlanta	Fulton	GA	30309	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 128, LLC
Summit Hospitality 129, LLC	129	Homewood Suites - Aliso Viejo/Laguna Beach	Acquisition	129	110 Vantis Dr	Aliso Viejo	Orange	CA	92656	Hilton Worldwide	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 129, LLC
Summit Hospitality 130, LLC	130	Hyatt House - Miami Airport	Same Store	163	5710 Blue Lagoon Drive	Miami	Miami-Dade	FL	33126	Hyatt Hotel Corp.	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 130, LLC
Summit Hospitality 131, LLC	131	Marriott - Boulder	Acquisition	167	2660 Canyon Boulevard	Boulder	Boulder	CO	80302	Marriott International	Upper Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 131, LLC
Summit Hospitality 132, LLC	132	Hyatt Place - Chicago/Downtown-The Loop	Acquisition	208	28 North Franklin Street	Chicago	Cook	IL	60606	Hyatt Hotel Corp.	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 132, LLC
Summit Hospitality 134, LLC	134	Courtyard - Fort Lauderdale Beach	Acquisition	261	440 Seabreeze Boulevard	Fort Lauderdale	Miami-Dade	FL	33316	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 134, LLC
Summit Hospitality 135, LLC	135	Courtyard - Charlotte City Center	Acquisition	181	237 South Tryon Street	Charlotte	Mecklenburg	NC	28202	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 135, LLC
Summit Hospitality 136, LLC	136	Hampton Inn & Suites - Baltimore Inner Harbor	Acquisition	116	131 East Redwood Street	Baltimore	Baltimore	MD	21202	Hilton Worldwide	Upper Midscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 136, LLC
Summit Hospitality 137, LLC	137	Residence Inn - Baltimore Downtown/Inner Harbor	Acquisition	188	17 Light Street	Baltimore	Baltimore	MD	21202	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 137, LLC
Summit Hospitality 138, LLC	138	Courtyard - Kansas City Country Club Plaza	Acquisition	123	4600 JC Nichols Parkway	Kansas City	Jackson	MO	64112	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 138, LLC
Summit Hospitality 139, LLC	139	Courtyard - Pittsburgh Downtown	Acquisition	182	945 Penn Avenue	Pittsburgh	Allegheny	PA	15222	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 139, LLC
Summit Hospitality 140, LLC	140	Courtyard - Fort Worth Downtown/Blackstone	Acquisition	203	601 Main Street	Fort Worth	Tarrant	TX	76102	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 140, LLC
Summit Hospitality 141, LLC	141	AC Hotel - Atlanta Downtown	Acquisition	255	101 Andrew J Young International Boule	Atlanta	Fulton	GA	30303	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 141, LLC
Summit Hospitality 142, LLC	142	Homewood Suites - Tucson/St. Philip's Plaza University	Acquisition	122	4250 North Campbell Avenue	Tucson	Pima	AZ	85718	Hilton Worldwide	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 142, LLC
Summit Hospitality 143, LLC	143	Hilton Garden Inn - Waltham	Acquisition	148	450 Totten Pond Road	Waltham	Middlesex	MA	02451	Hilton Worldwide	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 143, LLC
Summit Hospitality 144, LLC	144	Residence Inn - Cleveland Downtown	Acquisition	175	527 Prospect Avenue East	Cleveland	Cuyahoga	OH	44115	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 144, LLC
Summit Hospitality 145, LLC	145	Courtyard - New Haven at Yale	Acquisition	207	30 Whalley Avenue	New Haven	New Haven	CT	06511	Marriott International	Upscale	Summit Hotel TRS, Inc.	Summit Hotel TRS 145, LLC
TOTAL		50 Hotels w/ 7,600 guestrooms		7,600									

Schedule III - Approved Managers

Count	Management Company
1	Aimbridge Hospitality
1	American Liberty Hospitality, Inc.
1	Courtyard Management Corporation
1	Crestline Hotels and Resorts and affiliates
1	Fillmore Hospitality and affiliates
1	IHG Management (Maryland), LLC
1	Intercontinental Hotels Group Resources, Inc.
1	Intermountain Management, LLC
1	Interstate Management Company, LLC
1	Kana Hotels, Inc.
1	OTO Development, LLC
1	Park Place Hospitality
1	Pillar Hotels and Resorts, LP
1	Residence Inn by Marriott, Inc.
1	Sage Hospitality and affiliates
1	Select Hotels Group, LLC
1	Springhill SMC Corporation
1	Stonebridge Realty Advisors, Inc.
1	White Lodging Services Corporation
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SCHEDULE IV

[RESERVED]

Schedule 4.01(a) – Taxpayer Identification Numbers

Schedule 4.01(a) - Subsidiaries

Summit Entity	State of Origination	Taxpayer Identification #	Owner	% Interest	# Shares Authorized	# Shares Outstanding	# Shares Covered by Options, Warrants, etc.
Summit Hotel Properties, Inc (1)	Maryland	27-2962512	Public Stockholders	100%	600,000,000	104,276,587	295,000
Summit Hotel GP, LLC	Delaware	Disregarded	Summit Hotel Properties, Inc.	100%	-	-	-
Summit Hotel OP, LP	Delaware	20-0617340	Summit Hotel Properties, Inc.	99%	-	-	-
Summit Hotel OP, LP	Delaware	20-0617340	Unaffiliated limited partners	1%	343,906	343,906	-
Asheville Club at 151 Owners Association, Inc.	North Carolina	Disregarded	Summit Hospitality 123, LLC	100%	-	-	-
Norwood Hotel Operator, LLC	Delaware	Disregarded	Summit Hospitality 122, LLC	100%	-	-	-
Summit Arlington CTY License, LLC	Delaware	Disregarded	Summit Hotel TRS 035, LLC	100%	-	-	-
Summit Fort Worth HGI License, LLC	Delaware	Disregarded	Summit Hotel TRS 060, LLC	100%	-	-	-
Summit Hospitality of Texas, LLC	Texas	Disregarded	Summit Hotel Properties, Inc.	100%	-	-	-
Summit Licensing 121, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Licensing 137, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Licensing Ft Worth CTY Holding, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Licensing Ft Worth CTY, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
The Residences at 151 Condominium Owners' Association, Inc.	North Carolina	26-3527228	Summit Hospitality 123, LLC	100%	-	-	-
Summit Mole 2017, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality I, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality V, LLC	South Dakota	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality VI, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality VII, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality VIII, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality IX, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality XI, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality XII, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality XIII, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality XIV, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality XV, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Group of Scottsdale, Arizona LLC	South Dakota	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit IHG JV, LLC	Delaware	35-2464013	Summit Hotel OP, LP	99%	-	-	-
Summit IHG JV, LLC	Delaware	35-2464013	Summit Hotel TRS, Inc.	1%	-	-	-
San Fran JV, LLC	Delaware	Disregarded	Summit IHG JV, LLC	100%	-	-	-
Summit Hospitality 17, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 18, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 19,LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 20, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 21, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 22, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 23, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 24, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 25, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 26, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 026 AZ, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 029, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 036, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 038, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 057, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 080, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 086, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 084, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 085, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 088, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 100, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 102, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 104, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 110, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 111, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 114, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 115, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 116, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 117, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 118, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 119, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-

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Schedule 4.01(a) - Subsidiaries

Summit Entity	State of Origination	Taxpayer Identification #	Owner	% Interest	# Shares Authorized	# Shares Outstanding	# Shares Covered by Options, Warrants, etc.
Summit Hospitality 120, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 121, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 122, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 123, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 126, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 127, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 128, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 129, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 130, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 131, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 132, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 133, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 134, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 135, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 136, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 137, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 138, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 139, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 140, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 141, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 142, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 143, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 144, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 145, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 146, LLC	Delaware	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hotel TRS, Inc	Delaware	27-3325543	Summit Hotel OP, LP	100%	100	100	-
Summit Hotel TRS 003, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 005, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 007, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 008, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 010, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 013, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 014, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 023, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 024, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 026, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 027, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 030, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 031, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 034, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 036, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 037, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 044, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 045, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 048, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 051, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 052, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 053, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 057, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 060, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 062, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 065, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 066, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 084, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 085, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 086, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 087, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 088, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 089, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 090, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 092, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 094, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-

Schedule 4.01(a) - Subsidiaries

Summit Entity	State of Origination	Taxpayer Identification #	Owner	% Interest	# Shares Authorized	# Shares Outstanding	# Shares Covered by Options, Warrants, etc.
Summit Hotel TRS 095, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 096, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 098, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 099, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Carnegie Hotels, LLC	Georgia	Disregarded	Summit Hotel OP, LP	100%	-	-	-
Summit Hotel TRS 100, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 101, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 102, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 103, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 104, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 105, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 106, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 107, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 108, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 109, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 110, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 111, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 112, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 113, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 114, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 115, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 116, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 117, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 118, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 119, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 120, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 121, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 122, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 123, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 126, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 127, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 128, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 129, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 130, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 131, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 132, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 133, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 134, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 135, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 136, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 137, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 138, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 139, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 140, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 141, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 142, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 143, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 144, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 145, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 146, LLC	Delaware	Disregarded	Summit Hotel TRS, Inc.	100%	-	-	-

(1) Classes of shares authorized include:

- 500,000,000 Common Shares
- 100,000,000 Preferred Shares, which are currently comprised of:
  - 3,400,000 shares of 7.125% Series C Cumulative Redeemable Preferred Stock
  - 3,000,000 shares of 6.45% Series D Cumulative Redeemable Preferred Stock
  - 6,400,000 shares of 6.25% Series E Cumulative Redeemable Preferred Stock

Schedule 4.01(b) – Subsidiaries

Schedule 4.01(b) - Subsidiaries

Summit Entity	State of Origination	Owner	% Interest	# Shares Authorized	# Shares Outstanding	# Shares Covered by Options, Warrants, etc.
Summit Hotel Properties, Inc (1)	Maryland	Public Stockholders	100%	600,000,000	104,276,587	235,000
Summit Hotel GP, LLC	Delaware	Summit Hotel Properties, Inc.	100%	-	-	-
Summit Hotel OP, LP	Delaware	Summit Hotel Properties, Inc.	99%	-	-	-
Summit Hotel OP, LP	Delaware	Unaffiliated limited partners	1%	343,905	343,905	-
Asheville Club at 151 Owners Association, Inc.	North Carolina	Summit Hospitality 123, LLC	100%	-	-	-
Norwood Hotel Operator, LLC	Delaware	Summit Hospitality 122, LLC	100%	-	-	-
Summit Arlington CTY License, LLC	Delaware	Summit Hotel TRS 036, LLC	100%	-	-	-
Summit Fort Worth HGI License, LLC	Delaware	Summit Hotel TRS 080, LLC	100%	-	-	-
Summit Hospitality of Texas, LLC	Texas	Summit Hotel Properties, Inc.	100%	-	-	-
Summit Licensing 121, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Licensing 137, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Licensing Ft Worth CTY Holding, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Licensing Ft Worth CTY, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
The Residences at 151 Condominium Owners' Association, Inc.	North Carolina	Summit Hospitality 123, LLC	100%	-	-	-
Summit Mets 2017, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality I, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality V, LLC	South Dakota	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality VI, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality VII, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality VIII, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality IX, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality XI, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality XII, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality XIII, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality XIV, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality XV, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Group of Scottsdale, Arizona LLC	South Dakota	Summit Hotel OP, LP	100%	-	-	-
Summit IHG JV, LLC	Delaware	Summit Hotel OP, LP	99%	-	-	-
Summit IHG JV, LLC	Delaware	Summit Hotel TRS, Inc.	1%	-	-	-
San Fran JV, LLC	Delaware	Summit IHG JV, LLC	100%	-	-	-
Summit Hospitality 17, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 18, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 19,LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 20, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 21, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 22, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 23, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 24, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 25, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 26, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 026 AZ, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 009, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 036, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 039, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 057, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 060, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 066, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 084, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 085, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 089, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 100, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 102, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 104, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 110, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-

Schedule 4.01(b) - Subsidiaries

Summit Entity	State of Origination	Owner	% Interest	# Shares Authorized	# Shares Outstanding	# Shares Covered by Options, Warrants, etc.
Summit Hospitality 111, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 114, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 115, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 116, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 117, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 118, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 119, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 120, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 121, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 122, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 123, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 126, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 127, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 128, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 129, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 130, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 131, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 132, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 133, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 134, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 135, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 136, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 137, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 138, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 139, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 140, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 141, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 142, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 143, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 144, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 145, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hospitality 146, LLC	Delaware	Summit Hotel OP, LP	100%	-	-	-
Summit Hotel TRS, Inc	Delaware	Summit Hotel OP, LP	100%	100	100	-
Summit Hotel TRS 003, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 005, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 007, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 008, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 010, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 013, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 014, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 023, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 024, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 026, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 027, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 030, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 031, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 034, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 036, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 037, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 044, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 045, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 048, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 051, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 052, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 053, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-

Schedule 4.01(b) - Subsidiaries

Summit Entity	State of Origination	Owner	% Interest	# Shares Authorized	# Shares Outstanding	# Shares Covered by Options, Warrants, etc.
Summit Hotel TRS 057, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 060, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 062, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 065, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 066, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 084, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 085, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 086, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 087, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 088, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 089, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 090, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 092, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 094, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 095, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 096, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 098, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 099, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Carnegie Hotels, LLC	Georgia	Summit Hotel OP, LP	100%	-	-	-
Summit Hotel TRS 100, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 101, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 102, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 103, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 104, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 105, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 106, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 107, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 108, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 109, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 110, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 111, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 112, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 113, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 114, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 115, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 116, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 117, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 118, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 119, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 120, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 121, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 122, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 123, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 126, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 127, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 128, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 129, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 130, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 131, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 132, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 133, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 134, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 135, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 136, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 137, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-

Schedule 4.01(b) - Subsidiaries

Summit Entity	State of Origination	Owner	% Interest	# Shares Authorized	# Shares Outstanding	# Shares Covered by Options, Warrants, etc.
Summit Hotel TRS 138, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 139, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 140, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 141, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 142, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 143, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 144, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 145, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-
Summit Hotel TRS 146, LLC	Delaware	Summit Hotel TRS, Inc.	100%	-	-	-

(1) Classes of shares authorized include:

- 500,000,000 Common Shares
- 100,000,000 Preferred Shares, which are currently comprised of:
  - 3,400,000 shares of 7.125% Series C Cumulative Redeemable Preferred Stock
  - 3,000,000 shares of 6.45% Series D Cumulative Redeemable Preferred Stock
  - 6,400,000 shares of 6.25% Series E Cumulative Redeemable Preferred Stock

Schedule 4.01(f) - Material Litigation

NONE

Schedule 4.01(n) - Existing Debt

Borrower	Lender	Note Reference	Interest Rate [1]	Amort. Period (Years)	Maturity Date	Number of Properties Encumbered at 12/31/17	Principal Amount Outstanding at 12/31/17 (000s)
	Senior Unsecured Credit Facility						
	Deutsche Bank AG New York Branch						
Summit Hotel OP, LP	$300 Million Revolver	(a)	3.21% Variable	n/a	March 2020	n/a	$ 15,000
Summit Hotel OP, LP	$150 Million Term Loan	(a)	3.40% Variable [2]	n/a	March 2021	n/a	150,000
	Total Senior Unsecured Credit Facility						165,000
	Unsecured Term Loan						
Summit Hotel OP, LP	KeyBank National Association						
	$140 Million Term Loan	(b)	3.51% Variable	n/a	April 7, 2022	n/a	140,000
Summit Hotel OP, LP	KeyBank National Association						
	$225 Million Term Loan	(c)	3.11% Variable	n/a	November 22, 2022	n/a	225,000
	Mortgage Loans						
Summit Hospitality 22, LLC	Voya (f.k.a. ING Life Ins. and Annuity)	(d)	5.18% Fixed	20	March 1, 2019	2	40,015
Summit Hotel OP, LP		(d)	5.18% Fixed	20	March 1, 2019	4	35,865
Summit Hospitality I, LLC		(d)	5.18% Fixed	20	March 1, 2019	2	23,130
Summit Hospitality 116, LLC		(d)	5.18% Fixed	20	March 1, 2019	1	16,431
Summit Meta 2017, LLC	Metabank	(e)	4.44% Fixed	25	July 1, 2027	3	47,640
Summit Hospitality XIII, LLC	KeyBank National Association		4.46% Fixed	30	February 1, 2023	4	26,928
Summit Hospitality XIV, LLC			4.52% Fixed	30	April 1, 2023	3	20,877
Summit Hospitality 19, LLC			4.30% Fixed	30	April 1, 2023	3	20,211
Summit Hospitality 21, LLC			4.95% Fixed	30	August 1, 2023	2	36,093
Summit Group of Scottsdale, AZ, LLC	Western Alliance Bank (f.k.a. GE Capital	(f)	5.39% Fixed	25	April 1, 2020	1	8,701
Summit Group of Scottsdale, AZ, LLC	Financial, Inc.)	(f)	5.39% Fixed	25	April 1, 2020	1	4,685
Summit Hospitality 085, LLC	Bank of Cascades	(g)	3.56% Variable	25	December 19, 2024	1	9,023
Summit Hospitality 085, LLC		(g)	4.30% Fixed	25	December 19, 2024	-	9,023
Summit Hospitality 036, LLC,	Compass Bank	(h)	3.96% Variable	25	May 6, 2020	3	22,773
Summit Hospitality 110, LLC,	*co-borrower*	(h)					
Summit Hospitality 111, LLC	*co-borrower*	(h)					
Summit Hotel OP, LP	Western Alliance Bank (f.k.a. GE Capital	(f)	5.39% Fixed	25	April 1, 2020	1	4,926
Summit Hotel OP, LP	Financial, Inc.)	(f)	5.39% Fixed	25	April 1, 2020	1	5,769
Summit Hospitality 26, LLC	U.S. Bank, NA		6.13% Fixed	25	November 11, 2021	1	11,019
				Total Mortgage Loans		33	343,109
				Total Debt		33	$ 873,109

Schedule 4.01(n) - Existing Debt

(1) The interest rates at December 31, 2017, above give effect to our use of interest rate derivatives, where applicable.

(2) We entered into an interest rate derivative to effectively produce a fixed interest rate on 50%, or $75 million of the $150 million term loan; however, the interest rate spread over LIBOR may change based upon our Leverage Ratio, as defined in the credit facility documents. At December 31, 2017, the termination value of this interest rate derivative was $0.2 million.

(a) The Senior Unsecured Credit Facility requires that no less than 20 of our hotel properties remain unencumbered, as defined in the credit facility documentation, and also requires compliance with covenants customary among our industry peers. The $300 Million Revolver matures in March 2020 and can be extended to March 2021 at our option, subject to certain conditions. The $150 Million Term Loan matures in March 2021.

(b) The KeyBank 7-yr Unsecured Term Loan requires that no less than 20 of our hotel properties remain unencumbered, as defined in the credit facility documentation, and also requires compliance with covenants customary among our industry peers. The KeyBank 7-yr Unsecured Term Loan matures on April 7, 2022.

(c) The KeyBank 5-yr Unsecured Term Loan requires that no less than 20 of our hotel properties remain unencumbered, as defined in the credit facility documentation, and also requires compliance with covenants customary among our industry peers. The KeyBank 5-yr Unsecured Term Loan matures on November 25, 2022.

(d) The transaction was completed on September 24, 2015. We now have four term loans with Voya which have a fixed interest rates of 5.18% and a first call date of March 1, 2019. The loans are cross-collateralized and have cross-default provisions. March 1, 2019, represents the first call date for the specified loans. The final maturity date is December 1, 2035.

(e) On June 30, 2017, we entered into a $47.6 million secured, non-recourse loan with Metabank which includes a delayed draw feature, a 4.44% fixed interest rate, and interest-only payments for 18 months following the closing date. The loan was fully drawn by December 31, 2017. Summit Hospitality XII, Summit Hospitality 115, LLC, and Summit Hospitality 133, LLC, have each granted a mortgage, security agreement, and related documents to Metabank as security for the loan.

(f) On March 28, 2014, we amended two loans with Western Alliance (formerly GE Capital Financial), which are cross-collateralized.

(g) On December 19, 2014, we refinanced our loan with Bank of the Cascades and increased the amount financed by $7.9 million. As part of the refinance, the loan was split into two notes. Note A carries a variable interest rate of 30-day LIBOR plus 200 basis points, and Note B carries a fixed interest rate of 4.30%. Both notes have an amortization periods of 25 years and maturity dates of December 19, 2024. These two loans are secured by one hotel and are cross-defaulted.

(h) On May 6, 2014, we closed on a $25.0 million loan with Compass Bank. The loan carries a variable rate of 30-day LIBOR plus 240 basis points, amortizes over 25 years, and has a May 6, 2020 maturity date. The loan is secured by first mortgage liens on the Hampton Inn & Suites in San Diego (Poway), CA, and Ventura (Camarillo), CA and the Courtyard in Arlington, TX.

Summit Hotel OP, LP indemnifies numerous lenders for environmental and other issues, and provides guaranties and indemnifications for numerous hotel management agreements, franchise agreements, title policy indemnifications, and ground leases. Summit Hotel OP, LP guaranties carve outs on US Bank (Summit Hospitality 26, LLC), Bank of the Cascades, Compass Bank, Voya, KeyBank (Summit Hospitality XIII, LLC, Summit Hospitality XIV, LLC, Summit Hospitality 19, LLC, Summit Hospitality 21, LLC) loans, and Metabank loan.

Summit Hotel Properties, Inc. guaranties carve outs on its US Bank (Summit Hospitality 26, LLC) loan.

The Senior Unsecured Credit Facility and the Unsecured Term Loan are both guaranteed by Summit Hotel Properties, Inc., each unencumbered asset ownership entity, and each Taxable REIT Subsidiary lessee.

Schedule 4.01(o) - Existing Liens

Borrower	Lender	Note Reference	Number of Properties Encumbered at 12/31/17	Principal Amount Outstanding at 12/31/17 (000s)	Mortgage(s)	Assignment of Leases / Rents	UCC Financing Statement
	Mortgage Loans						
Summit Hospitality 22, LLC	Voya (f.k.a. ING Life Ins. and Annuity)	(a)	2	40,015	YES	YES	YES
Summit Hotel OP, LP		(a)	4	35,865	YES	YES	YES
Summit Hospitality I, LLC		(a)	2	23,130	YES	YES	YES
Summit Hospitality 116, LLC		(a)	1	16,431	YES	YES	YES
Summit Meta 2017, LLC	Metabank	(b)		47,640	NO	NO	NO
Summit Hospitality XII, LLC			1		YES	YES	YES
Summit Hospitality 115, LLC			1		YES	YES	YES
Summit Hospitality 133, LLC			1		YES	YES	YES
Summit Hospitality XIII, LLC	KeyBank National Association		4	26,928	YES	YES	YES
Summit Hospitality XIV, LLC			3	20,877	YES	YES	YES
Summit Hospitality 19, LLC			3	20,211	YES	YES	YES
Summit Hospitality 21, LLC			2	36,093	YES	YES	YES
Summit Group of Scottsdale, AZ, LLC	Western Alliance Bank (f.k.a. GE Capital	(c)	1	8,701	YES	YES	YES
Summit Group of Scottsdale, AZ, LLC	Financial, Inc.)	(c)	1	4,685	YES	YES	YES
Summit Hospitality 085, LLC	Bank of Cascades	(d)	1	9,023	YES	YES	YES
Summit Hospitality 085, LLC		(d)	-	9,023	YES	YES	YES
Summit Hospitality 036, LLC,	Compass Bank	(e)	1	22,773	YES	YES	YES
Summit Hospitality 110, LLC,	*co-borrower*	(e)	1		YES	YES	YES
Summit Hospitality 111, LLC	*co-borrower*	(e)	1		YES	YES	YES
Summit Hotel OP, LP	Western Alliance Bank (f.k.a. GE Capital	(c)	1	4,926	YES	YES	YES
Summit Hotel OP, LP	Financial, Inc.)	(c)	1	5,769	YES	YES	YES
Summit Hospitality 26, LLC	U.S. Bank, NA		1	11,019	YES	YES	YES
	Total Mortgage Loans		33	343,109			

(a) The transaction was completed on September 24, 2015. We now have four term loans with Voya which have a fixed interest rates of 5.18% and a first call date of March 1, 2019. The loans are cross-collateralized and have cross-default provisions. March 1, 2019, represents the first call date for the specified loans. The final maturity date is December 1, 2035.

(b) On June 30, 2017, we entered into a $47.6 million secured, non-recourse loan with Metabank which includes a delayed draw feature, a 4.44% fixed interest rate, and interest-only payments for 18 months following the closing date. The loan was fully drawn by December 31, 2017. Summit Hospitality XII, Summit Hospitality 115, LLC, and Summit Hospitality 133, LLC, have each granted a mortgage, security agreement, and related documents to Metabank as security for the loan.

(c) On March 28, 2014, we amended two loans with Western Alliance (formerly GE Capital Financial), which are cross-collateralized.

(d) On December 19, 2014, we refinanced our loan with Bank of the Cascades and increased the amount financed by $7.9 million. As part of the refinance, the loan was split into two notes. Note A carries a variable interest rate of 30-day LIBOR plus 200 basis points, and Note B carries a fixed interest rate of 4.30%. Both notes have an amortization periods of 25 years and maturity dates of December 19, 2024. These two loans are sured by one hotel and are cross-defaulted.

(e) On May 6, 2014, we closed on a $25.0 million loan with Compass Bank. The loan carries a variable rate of 30-day LIBOR plus 240 basis points, amortizes over 25 years, and has a May 6, 2020 maturity date. The loan is secured by first mortgage liens on the Hampton Inn & Suites in San Diego (Poway), CA, and Ventura (Camarillo), CA and the Courtyard in Arlington, TX.

Schedule 4.01(p) - Part 1 - Real Property: Owned Assets

OWNERSHIP ENTITY	CODE	PROPERTY NAME	STREET ADDRESS	ZIP CODE	TRS HOLDING COMPANY	TRS ENTITY "LESSEE"	GAAP GROSS BOOK VALUE 12/31/17	NOTE
LAND	001	LAND					8 104 947	
Summit Hospitality VI, LLC	002	Springhill Suites - Minneapolis/St. Paul Airport/Mall of America	2870 Metro Drive	55425	Summit Hotel TRS, Inc.	Summit Hotel TRS 002, LLC	19 059 742	
Summit Hospitality VI, LLC	005	Hampton Inn & Suites - Minneapolis/St. Paul Airport/Mall of America	2850 Metro Drive	55425	Summit Hotel TRS, Inc.	Summit Hotel TRS 005, LLC	19 879 653	
Summit Hospitality XIV, LLC	007	Hyatt Place - Baltimore/Owings Mills	4730 Painers Mill Road	21117	Summit Hotel TRS, Inc.	Summit Hotel TRS 007, LLC	11 925 026	
Summit Hospitality XIII, LLC	008	Hyatt Place - Chicago/Lombard/Oak Brook	7340 South Fountain Square Drive	60148	Summit Hotel TRS, Inc.	Summit Hotel TRS 008, LLC	18 975 559	
Summit Hospitality XII, LLC	010	Residence Inn - Salt Lake City Downtown	285 West Broadway	84101	Summit Hotel TRS, Inc.	Summit Hotel TRS 010, LLC	27 857 850	
Summit Hospitality XIII, LLC	013	Hyatt Place - Dallas/Arlington	2380 East Road to Six Flags Street	76011	Summit Hotel TRS, Inc.	Summit Hotel TRS 013, LLC	10 778 810	
Summit Hospitality XIII, LLC	014	Hyatt Place - Denver South/Park Meadows	9030 East Nestview Road	80124	Summit Hotel TRS, Inc.	Summit Hotel TRS 014, LLC	13 103 485	
Summit Hospitality I, LLC	023	Hampton Inn - Provo	1511 South AC East Street	84606	Summit Hotel TRS, Inc.	Summit Hotel TRS 023, LLC	6 091 057	
Summit Hospitality XIII, LLC	021	Hyatt Place - Denver Tech Center	5300 East Crescent Parkway	80111	Summit Hotel TRS, Inc.	Summit Hotel TRS 021, LLC	14 030 552	
Summit Hotel OP, LP	026	Hyatt Place - Phoenix North	10838 North 25th Avenue	85029	Summit Hotel TRS, Inc.	Summit Hotel TRS 026, LLC	5 822 345	
Summit Hospitality XIV, LLC	027	Hyatt Place - Scottsdale/Old Town	7300 East Third Avenue	85251	Summit Hotel TRS, Inc.	Summit Hotel TRS 027, LLC	11 700 917	
San Fran JV, LLC	030	Holiday Inn Express & Suites - San Francisco/Fisherman's Wharf	550 North Point Street	94133	Summit Hotel TRS, Inc.	Summit Hotel TRS 030, LLC	65 960 825	
Summit Hotel OP, LP	031	Holiday Inn Express & Suites - Sandy/South Salt Lake City	10690 S. Auto Mall Drive	84070	Summit Hotel TRS, Inc.	Summit Hotel TRS 031, LLC	5 153 852	
Summit Hospitality 15, LLC	034	Hyatt Place - Chicago/Hoffman Estates	2700 Greenspoint Parkway	60169	Summit Hotel TRS, Inc.	Summit Hotel TRS 034, LLC	10 002 406	
Summit Hospitality 038, LLC	036	Courtyard - Dallas/Arlington South	711 Highlander Boulevard	76015	Summit Hotel TRS, Inc.	Summit Hotel TRS 036, LLC	17 274 748	
Summit Hospitality I, LLC	037	Residence Inn - Dallas/Arlington South	801 Highlander Boulevard	76015	Summit Hotel TRS, Inc.	Summit Hotel TRS 037, LLC	17 931 256	
Summit Hotel OP, LP	044	Country Inn & Suites - Charleston South, WV	105 Alex Lane	25304	Summit Hotel TRS, Inc.	Summit Hotel TRS 044, LLC	7 058 073	
Summit Hotel OP, LP	045	Holiday Inn Express - Charleston/Kanawha City	107 Alex Lane	25304	Summit Hotel TRS, Inc.	Summit Hotel TRS 045, LLC	6 791 812	
Summit Hospitality 16, LLC	048	Hyatt Place - Orlando/Convention Center	5741 International Drive	32819	Summit Hotel TRS, Inc.	Summit Hotel TRS 048, LLC	14 570 462	
Summit Hospitality 16, LLC	051	Hyatt Place - Orlando/Universal	5895 Carnwin Court	32819	Summit Hotel TRS, Inc.	Summit Hotel TRS 051, LLC	16 021 215	
SCS, AZ, LLC	052	Courtyard - Scottsdale North	17010 North Scottsdale Road	85255	Summit Hotel TRS, Inc.	Summit Hotel TRS 052, LLC	18 421 111	(1)
SGS, AZ, LLC	053	Springhill Suites - Scottsdale North	14020 North Scottsdale Road	85254	Summit Hotel TRS, Inc.	Summit Hotel TRS 053, LLC	13 505 200	(1)
Summit Hospitality 057, LLC	057	Hyatt Place - Minneapolis/Downtown	425 7th Street South	55415	Summit Hotel TRS, Inc.	Summit Hotel TRS 057, LLC	32 868 241	
Summit Hospitality 060, LLC	060	Springhill Suites - Nashville Metro/Center	250 Athens Way	37228	Summit Hotel TRS, Inc.	Summit Hotel TRS 060, LLC	7 065 649	
Summit Hospitality 16, LLC	062	Hilton Garden Inn - Minneapolis/Eden Prairie	5330 Point Chase	55344	Summit Hotel TRS, Inc.	Summit Hotel TRS 062, LLC	13 273 737	
Summit Hospitality 17, LLC	063	Holiday Inn Express & Suites - Minneapolis/Minnetonka	10900 Red Circle Drive	55343	Summit Hotel TRS, Inc.	Summit Hotel TRS 063, LLC	9 017 570	
Summit Hospitality I, LLC	066	Courtyard - New Orleans Downtown Near the French Quarter	124 St. Charles Avenue	70130	Summit Hotel TRS, Inc.	Summit Hotel TRS 066, LLC	27 769 958	
Summit Hospitality 084, LLC	084	Hyatt Place - Portland Airport/Cascade Station	9750 Northeast Cascades Parkway	97220	Summit Hotel TRS, Inc.	Summit Hotel TRS 084, LLC	19 154 203	(2)
Summit Hospitality 085, LLC	085	Residence Inn - Portland Airport at Cascade Station	9801 Northeast Cascades Parkway	97220	Summit Hotel TRS, Inc.	Summit Hotel TRS 085, LLC	19 956 418	(2)
Summit Hotel OP, LP	086	Hilton Garden Inn - Birmingham/Lakeshore Drive	520 W Mwood Circle Drive North	35209	Summit Hotel TRS, Inc.	Summit Hotel TRS 086, LLC	10 069 059	
Summit Hotel OP, LP	087	Hilton Garden Inn - Birmingham SE/Liberty Park	2030 Urban Center Parkway	35242	Summit Hotel TRS, Inc.	Summit Hotel TRS 087, LLC	14 440 035	
Summit Hospitality I, LLC	088	Hyatt Place - Fort Myers/at The Forum	2820 Champion Ring Road	33905	Summit Hotel TRS, Inc.	Summit Hotel TRS 088, LLC	20 618 623	
Summit Hospitality IX, LLC	089	Hampton Inn & Suites - Nashville/Smyrna	2573 Highwood Boulevard	37167	Summit Hotel TRS, Inc.	Summit Hotel TRS 089, LLC	10 921 909	
Summit Hospitality VIII, LLC	090	Hilton Garden Inn - Nashville/Smyrna	2631 Highwood Boulevard	37167	Summit Hotel TRS, Inc.	Summit Hotel TRS 090, LLC	14 435 679	
Summit Hotel OP, LP	092	Courtyard - New Orleans/Metairie	2 Galleria Boulevard	70001	Summit Hotel TRS, Inc.	Summit Hotel TRS 092, LLC	27 241 852	
Summit Hospitality I, LLC	094	Staybridge Suites - Denver/Cherry Creek	4220 East Virginia Avenue	80246	Summit Hotel TRS, Inc.	Summit Hotel TRS 094, LLC	12 037 678	
Summit Hospitality I, LLC	095	Holiday Inn - Gwinnett Center	5310 Sugarloaf Parkway	30097	Summit Hotel TRS, Inc.	Summit Hotel TRS 095, LLC	7 549 326	(2)
Summit Hospitality I, LLC	096	Hilton Garden Inn - Atlanta NE/Gwinnett Sugarloaf	2040 Sugarloaf Circle	30097	Summit Hotel TRS, Inc.	Summit Hotel TRS 096, LLC	15 377 251	
Summit Hospitality XIV, LLC	098	Hyatt House - Denver Tech Center	6280 East Castilia Avenue	80112	Summit Hotel TRS, Inc.	Summit Hotel TRS 098, LLC	20 669 022	
Carnegie Hotels, LLC	099	Courtyard - Atlanta Downtown	133 Carnegie Way	30303	Summit Hotel TRS, Inc.	Summit Hotel TRS 099, LLC	25 053 542	
Summit Hospitality 100, LLC	100	Hyatt Place - Garden City	5 North Avenue	11530	Summit Hotel TRS, Inc.	Summit Hotel TRS 100, LLC	32 167 362	(2)
Summit Hotel OP, LP	101	Hampton Inn & Suites - Tempe/Phoenix City/Downtown	1301 East 7th Avenue	85605	Summit Hotel TRS, Inc.	Summit Hotel TRS 101, LLC	24 465 919	
Summit Hospitality I, LLC	102	Courtyard - New Orleans Downtown/Convention Center	300 Julia Street	70130	Summit Hotel TRS, Inc.	Summit Hotel TRS 102, LLC	27 791 717	
Summit Hotel OP, LP	103	Residence Inn - New Orleans/Metairie	3 Galleria Boulevard	70001	Summit Hotel TRS, Inc.	Summit Hotel TRS 103, LLC	25 714 317	
Summit Hospitality I, LLC	104	Springhill Suites - New Orleans Downtown	301 St. Joseph Street	70130	Summit Hotel TRS, Inc.	Summit Hotel TRS 104, LLC	36 479 809	
Summit Hospitality I, LLC	105	Hilton Garden Inn - Greenville	105 Carolina Point Parkway	29605	Summit Hotel TRS, Inc.	Summit Hotel TRS 105, LLC	15 861 522	
Summit Hospitality 21, LLC	106	Fairfield Inn & Suites - Louisville Downtown	100 East Jefferson Street	40202	Summit Hotel TRS, Inc.	Summit Hotel TRS 106, LLC	27 020 439	
Summit Hospitality 21, LLC	107	Springhill Suites - Louisville Downtown	132 East Jefferson Street	40202	Summit Hotel TRS, Inc.	Summit Hotel TRS 107, LLC	43 020 552	
Summit Hospitality 22, LLC	109	Springhill Suites - Indianapolis Downtown	501 West Washington Street	46204	Summit Hotel TRS, Inc.	Summit Hotel TRS 109, LLC	30 039 644	
Summit Hospitality 22, LLC	108	Courtyard - Indianapolis Downtown	501 West Washington Street	46204	Summit Hotel TRS, Inc.	Summit Hotel TRS 108, LLC	59 162 556	
Summit Hospitality 110, LLC	110	Hampton Inn & Suites - San Diego/Poway	14068 Stowe Drive	92064	Summit Hotel TRS, Inc.	Summit Hotel TRS 110, LLC	15 632 163	
Summit Hospitality 111, LLC	111	Hampton Inn & Suites - Camarillo	50 West Daily Drive	93010	Summit Hotel TRS, Inc.	Summit Hotel TRS 111, LLC	19 972 121	
Summit Hospitality 26, LLC	112	Hampton Inn - Santa Barbara/Goleta	5635 Hollister Avenue	93117	Summit Hotel TRS, Inc.	Summit Hotel TRS 112, LLC	28 063 020	
Summit Hospitality 25, LLC	113	Hilton Garden Inn - Houston/Galleria Area	3201 Sage Road	77056	Summit Hotel TRS, Inc.	Summit Hotel TRS 113, LLC	41 560 266	(2)
Summit Hospitality 114, LLC	114	DoubleTree - San Francisco Airport North	5020 Sierra Point Parkway	94005	Summit Hotel TRS, Inc.	Summit Hotel TRS 114, LLC	43 901 124	
Summit Hospitality 115, LLC	115	Four Points - San Francisco Airport	764 South Airport Boulevard	94080	Summit Hotel TRS, Inc.	Summit Hotel TRS 115, LLC	23 032 993	
Summit Hospitality 116, LLC	116	Hilton Garden Inn - Houston/Energy Corridor	12245 Katy Freeway	77079	Summit Hotel TRS, Inc.	Summit Hotel TRS 116, LLC	38 485 473	
Summit Hospitality 117, LLC	117	Hampton Inn & Suites - Austin/Downtown/Convention Center	200 San Jacinto Boulevard	78701	Summit Hotel TRS, Inc.	Summit Hotel TRS 117, LLC	57 435 356	(2)
Summit Hospitality 118, LLC	118	Hampton Inn & Suites - Minneapolis/Downtown	19 North 9th Street	55403	Summit Hotel TRS, Inc.	Summit Hotel TRS 118, LLC	39 071 329	
Summit Hospitality 119, LLC	119	Residence Inn - Bridgewater/Branchburg	3241 Route 22 East	08876	Summit Hotel TRS, Inc.	Summit Hotel TRS 119, LLC	27 919 856	
Summit Hospitality 121, LLC	121	Residence Inn - Baltimore/Hunt Valley	45 Schilling Rd	21031	Summit Hotel TRS, Inc.	Summit Hotel TRS 121, LLC	38 556 961	(2)
Summit Hospitality 122, LLC	122	Hampton Inn - Boston/Norwood	434 Providence Highway (RT. 1)	02062	Summit Hotel TRS, Inc.	Summit Hotel TRS 122, LLC	24 327 056	
Summit Hospitality 123, LLC	123	Hotel Indigo - Asheville Downtown	151 Haywood Street	28801	Summit Hotel TRS, Inc.	Summit Hotel TRS 123, LLC	37 452 002	
Summit Hospitality 126, LLC	126	Courtyard - Atlanta Decatur Downtown/Emory	130 Clairemont Avenue	30030	Summit Hotel TRS, Inc.	Summit Hotel TRS 126, LLC	45 063 626	
Summit Hospitality 127, LLC	127	Courtyard - Nashville Vanderbilt/West End	1901 West End Avenue	37203	Summit Hotel TRS, Inc.	Summit Hotel TRS 127, LLC	72 748 579	
Summit Hospitality 128, LLC	128	Residence Inn - Atlanta Midtown/Peachtree at 14th	1365 Peachtree Street Northeast	30309	Summit Hotel TRS, Inc.	Summit Hotel TRS 128, LLC	38 486 610	
Summit Hospitality 129, LLC	129	Homewood Suites - Aliso Viejo/Laguna Beach	110 Wanda Dr	92656	Summit Hotel TRS, Inc.	Summit Hotel TRS 129, LLC	36 000 000	
Summit Hospitality 130, LLC	130	Hyatt House - Miami Airport	5710 Blue Lagoon Drive	33126	Summit Hotel TRS, Inc.	Summit Hotel TRS 130, LLC	39 192 436	
Summit Hospitality 131, LLC	131	Marriott - Boulder	2660 Canyon Boulevard	80302	Summit Hotel TRS, Inc.	Summit Hotel TRS 131, LLC	61 527 952	
Summit Hospitality 132, LLC	132	Hyatt Place - Chicago/Downtown-The Loop	28 North Franklin Street	60606	Summit Hotel TRS, Inc.	Summit Hotel TRS 132, LLC	75 902 509	
Summit Hospitality 133, LLC	133	Hyatt Place - Phoenix/Mesa	1422 West Baseline Drive	85201	Summit Hotel TRS, Inc.	Summit Hotel TRS 133, LLC	22 344 813	
Summit Hospitality 134, LLC	134	Courtyard - Fort Lauderdale Beach	440 Seabreeze Boulevard	33316	Summit Hotel TRS, Inc.	Summit Hotel TRS 134, LLC	35 052 309	
Summit Hospitality 135, LLC	135	Courtyard - Charlotte City Center	237 South Tryon Street	28202	Summit Hotel TRS, Inc.	Summit Hotel TRS 135, LLC	56 250 000	
Summit Hospitality 136, LLC	136	Hampton Inn & Suites - Baltimore Inner Harbor	131 East Redwood Street	21202	Summit Hotel TRS, Inc.	Summit Hotel TRS 136, LLC	19 327 851	
Summit Hospitality 137, LLC	137	Residence Inn - Baltimore Downtown/Inner Harbor	17 Light Street	21202	Summit Hotel TRS, Inc.	Summit Hotel TRS 137, LLC	39 117 366	
Summit Hospitality 139, LLC	139	Courtyard - Kansas City Country Club Plaza	4800 JC Nichols Parkway	64112	Summit Hotel TRS, Inc.	Summit Hotel TRS 139, LLC	24 662 242	
Summit Hospitality 139, LLC	138	Courtyard - Pittsburgh Downtown	945 Penn Avenue	15222	Summit Hotel TRS, Inc.	Summit Hotel TRS 138, LLC	42 517 035	
Summit Hospitality 140, LLC	140	Courtyard - Fort Worth Downtown/Blackstone	601 Main Street	76102	Summit Hotel TRS, Inc.	Summit Hotel TRS 140, LLC	40 134 756	
Summit Hospitality 141, LLC	141	AC Hotel - Atlanta Downtown	101 Andrew J Young International Blvd	30303	Summit Hotel TRS, Inc.	Summit Hotel TRS 141, LLC	37 663 059	
Summit Hospitality 142, LLC	142	Homewood Suites - Tucson/St. Philip's Plaza University	4250 North Campbell Avenue	85718	Summit Hotel TRS, Inc.	Summit Hotel TRS 142, LLC	25 475 000	
Summit Hospitality 143, LLC	143	Hilton Garden Inn - Waltham	450 Totten Pond Road	02451	Summit Hotel TRS, Inc.	Summit Hotel TRS 143, LLC	32 475 000	
Summit Hospitality 144, LLC	144	Residence Inn - Cleveland Downtown	527 Prospect Avenue East	44115	Summit Hotel TRS, Inc.	Summit Hotel TRS 144, LLC	43 415 454	
Summit Hospitality 145, LLC	145	Courtyard - New Haven at Yale	30 Whalley Avenue	06511	Summit Hotel TRS, Inc.	Summit Hotel TRS 145, LLC	63 500 000	
TOTAL		83 Hotels w/ 12,242 guestrooms					2,357,687,980	

Schedule 4.01(p) - Part II - Leased Assets A

OWNERSHIP ENTITY	CODE	PROPERTY NAME	TRS HOLDING COMPANY	TRS ENTITY "LESSEE"	INITIAL PERIOD BASE RENT	ANNUAL BASE RENT	ADD'L RENT %	INITIAL PERIOD REVENUE BREAKPOINT	ANNUAL REVENUE BREAKPOINT	LEASE COMMENCE	LEASE EXPIRATION
Summit Hospitality VI, LLC	005	SpringHill Suites - Minneapolis/St. Paul Airport/Mall of America	Summit Hotel TRS, Inc.	Summit Hotel TRS 005, LLC	1,512,000	1,670,000	39.0%	3,720,000	4,230,000	02/14/2014	12/31/2017
Summit Hospitality VI, LLC	025	Hampton Inn & Suites - Minneapolis/St. Paul Airport/Mall of America	Summit Hotel TRS, Inc.	Summit Hotel TRS 025, LLC	2,226,000	2,253,000	39.0%	4,540,000	5,070,000	02/14/2014	12/31/2017
Summit Hospitality XIV, LLC	027	Hyatt Place - Baltimore/Owings Mills	Summit Hotel TRS, Inc.	Summit Hotel TRS 027, LLC	491,000	1,004,000	55.0%	880,000	4,020,000	10/03/2015	12/31/2018
Summit Hospitality XIII, LLC	026	Hyatt Place - Chicago/Lombard/Oak Brook	Summit Hotel TRS, Inc.	Summit Hotel TRS 026, LLC	304,000	2,053,000	55.0%	1,180,000	5,450,000	10/03/2015	12/31/2018
Summit Hospitality XI, LLC	010	Residence Inn - Salt Lake City Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 010, LLC	-	3,208,000	55.0%	-	7,550,000	01/01/2016	12/31/2018
Summit Hospitality XIII, LLC	013	Hyatt Place - Dallas/Allen	Summit Hotel TRS, Inc.	Summit Hotel TRS 013, LLC	161,000	1,371,000	55.0%	390,000	3,940,000	10/03/2015	12/31/2018
Summit Hospitality XIII, LLC	014	Hyatt Place - Denver South/Park Meadows	Summit Hotel TRS, Inc.	Summit Hotel TRS 014, LLC	768,000	1,827,000	57.0%	990,000	4,750,000	10/03/2015	12/31/2018
Summit Hospitality I, LLC	023	Hampton Inn - Provo	Summit Hotel TRS, Inc.	Summit Hotel TRS 023, LLC	820,000	936,000	36.0%	2,090,000	2,420,000	02/14/2014	12/31/2017
Summit Hospitality XIII, LLC	024	Hyatt Place - Denver Tech Center	Summit Hotel TRS, Inc.	Summit Hotel TRS 024, LLC	282,000	1,515,000	55.0%	540,000	4,020,000	10/03/2015	12/31/2018
Summit Hotel OP, LP	020	Hyatt Place - Phoenix North	Summit Hotel TRS, Inc.	Summit Hotel TRS 020, LLC	121,000	1,152,000	55.0%	710,000	3,640,000	10/03/2015	12/31/2018
Summit Hospitality XIV, LLC	027	Hyatt Place - Scottsdale/Old Town	Summit Hotel TRS, Inc.	Summit Hotel TRS 027, LLC	310,000	2,057,000	54.0%	1,090,000	5,480,000	10/03/2015	12/31/2018
San Fran JV, LLC	030	Holiday Inn Express & Suites - San Francisco/Fisherman's Wharf	Summit Hotel TRS, Inc.	Summit Hotel TRS 030, LLC	-	3,701,000	36.0%	-	9,650,000	01/01/2017	12/31/2019
Summit Hotel OP, LP	031	Holiday Inn Express & Suites - Sandy/South Salt Lake City	Summit Hotel TRS, Inc.	Summit Hotel TRS 031, LLC	739,000	901,000	31.0%	2,050,000	2,420,000	02/14/2014	12/31/2017
Summit Hospitality 19, LLC	034	Hyatt Place - Chicago/Hoffman Estates	Summit Hotel TRS, Inc.	Summit Hotel TRS 034, LLC	1,082,000	1,164,000	58.0%	3,400,000	3,720,000	01/22/2016	12/31/2019
Summit Hospitality 036, LLC	036	Courtyard - Dallas/Arlington South	Summit Hotel TRS, Inc.	Summit Hotel TRS 036, LLC	956,000	1,756,000	48.0%	2,180,000	3,720,000	05/15/2015	12/31/2018
Summit Hospitality I, LLC	037	Residence Inn - Dallas/Arlington South	Summit Hotel TRS, Inc.	Summit Hotel TRS 037, LLC	844,000	1,897,000	54.0%	1,970,000	4,150,000	07/01/2015	12/31/2018
Summit Hotel OP, LP	044	Country Inn & Suites - Charleston South, WV	Summit Hotel TRS, Inc.	Summit Hotel TRS 044, LLC	505,000	661,000	35.0%	1,510,000	1,770,000	02/14/2014	12/31/2017
Summit Hotel OP, LP	045	Holiday Inn Express - Charleston/Canawha City	Summit Hotel TRS, Inc.	Summit Hotel TRS 045, LLC	784,000	875,000	35.0%	1,840,000	2,110,000	02/14/2014	12/31/2017
Summit Hospitality 19, LLC	048	Hyatt Place - Orlando/Convention Center	Summit Hotel TRS, Inc.	Summit Hotel TRS 048, LLC	2,216,000	2,336,000	55.0%	5,740,000	6,350,000	01/22/2016	12/31/2019
Summit Hospitality 19, LLC	021	Hyatt Place - Orlando/Universal	Summit Hotel TRS, Inc.	Summit Hotel TRS 021, LLC	449,000	1,288,000	39.0%	1,402,000	3,287,000	07/01/2017	12/31/2020
SGS AZ, LLC	032	Courtyard - Scottsdale North	Summit Hotel TRS, Inc.	Summit Hotel TRS 032, LLC	1,805,000	2,374,000	38.0%	4,050,000	5,140,000	02/14/2014	12/31/2017
SGS AZ, LLC	033	SpringHill Suites - Scottsdale North	Summit Hotel TRS, Inc.	Summit Hotel TRS 033, LLC	871,000	1,155,000	38.0%	2,410,000	3,040,000	02/14/2014	12/31/2017
Summit Hospitality 057, LLC	057	Hyatt Place - Minneapolis/Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 057, LLC	-	2,028,000	39.0%	-	4,628,000	01/01/2017	12/31/2019
Summit Hospitality 060, LLC	060	SpringHill Suites - Nashville Music Center	Summit Hotel TRS, Inc.	Summit Hotel TRS 060, LLC	1,183,000	1,241,000	38.0%	2,700,000	3,110,000	02/14/2014	12/31/2017
Summit Hospitality 18, LLC	059	Hilton Garden Inn - Minneapolis/Eden Prairie	Summit Hotel TRS, Inc.	Summit Hotel TRS 059, LLC	-	705,000	36.0%	-	1,959,000	01/01/2017	12/31/2019
Summit Hospitality 17, LLC	055	Holiday Inn Express & Suites - Minneapolis/Minnetonka	Summit Hotel TRS, Inc.	Summit Hotel TRS 055, LLC	-	538,000	34.0%	-	1,556,000	01/01/2017	12/31/2019
Summit Hospitality I, LLC	065	Courtyard - New Orleans Downtown Near the French Quarter	Summit Hotel TRS, Inc.	Summit Hotel TRS 065, LLC	439,000	1,109,000	40.0%	1,329,000	3,330,000	07/01/2017	12/31/2020
Summit Hospitality 084, LLC	084	Hyatt Place - Portland Airport/Cascade Station	Summit Hotel TRS, Inc.	Summit Hotel TRS 084, LLC	1,345,000	2,216,000	37.0%	4,530,000	5,850,000	02/14/2014	12/31/2017
Summit Hospitality 085, LLC	085	Residence Inn - Portland Airport at Cascade Station	Summit Hotel TRS, Inc.	Summit Hotel TRS 085, LLC	2,255,000	2,355,000	36.0%	4,340,000	5,020,000	02/14/2014	12/31/2017
Summit Hotel OP, LP	086	Hilton Garden Inn - Birmingham/Lakeshore Drive	Summit Hotel TRS, Inc.	Summit Hotel TRS 086, LLC	943,000	1,254,000	54.0%	2,510,000	3,020,000	02/27/2015	12/31/2018
Summit Hotel OP, LP	087	Hilton Garden Inn - Birmingham/SE/Liberty Park	Summit Hotel TRS, Inc.	Summit Hotel TRS 087, LLC	1,123,000	1,356,000	53.0%	2,920,000	3,620,000	02/27/2015	12/31/2018
Summit Hospitality I, LLC	088	Hyatt Place - Fort Worth/Cultural Dist - Forum	Summit Hotel TRS, Inc.	Summit Hotel TRS 088, LLC	625,000	836,000	30.0%	2,560,000	3,170,000	02/14/2014	12/31/2017
Summit Hospitality IX, LLC	089	Hampton Inn & Suites - Nashville/Smyrna	Summit Hotel TRS, Inc.	Summit Hotel TRS 089, LLC	680,000	1,246,000	51.0%	1,560,000	3,020,000	04/21/2015	12/31/2018
Summit Hospitality VIII, LLC	050	Hilton Garden Inn - Nashville/Smyrna	Summit Hotel TRS, Inc.	Summit Hotel TRS 050, LLC	1,242,000	2,056,000	55.0%	2,460,000	4,150,000	05/15/2015	12/31/2018
Summit Hotel OP, LP	092	Courtyard - New Orleans/Metairie	Summit Hotel TRS, Inc.	Summit Hotel TRS 092, LLC	2,355,000	2,651,000	55.0%	5,000,000	6,020,000	03/11/2016	12/31/2019
Summit Hospitality I, LLC	094	Staybridge Suites - Denver/Cherry Creek	Summit Hotel TRS, Inc.	Summit Hotel TRS 094, LLC	1,265,000	1,762,000	43.0%	3,050,000	4,350,000	04/27/2015	12/31/2017
Summit Hospitality I, LLC	095	Holiday Inn - Cumming Center	Summit Hotel TRS, Inc.	Summit Hotel TRS 095, LLC	667,000	1,460,000	45.0%	2,450,000	3,870,000	04/27/2015	12/31/2017
Summit Hospitality I, LLC	096	Hilton Garden Inn - Atlanta NE/Gwinnett Sugarloaf	Summit Hotel TRS, Inc.	Summit Hotel TRS 096, LLC	872,000	1,321,000	43.0%	2,370,000	4,120,000	03/23/2014	12/31/2017
Summit Hospitality XIV, LLC	098	Hyatt House - Denver Tech Center	Summit Hotel TRS, Inc.	Summit Hotel TRS 098, LLC	426,000	2,400,000	55.0%	1,180,000	5,820,000	10/03/2015	12/31/2018
Carnegie Hotels, LLC	039	Courtyard - Atlanta Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 039, LLC	562,000	1,721,000	49.0%	1,456,000	3,837,000	03/01/2016	12/31/2019
Summit Hospitality 100, LLC	100	Hyatt Place - Garden City	Summit Hotel TRS, Inc.	Summit Hotel TRS 100, LLC	15,000	3,145,000	35.0%	50,000	9,270,000	12/22/2015	12/31/2018
Summit Hotel OP, LP	101	Hampton Inn & Suites - Tampa/Harbor City/Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 101, LLC	10,000	2,033,000	30.0%	50,000	5,003,000	12/22/2015	12/31/2018
Summit Hospitality I, LLC	102	Courtyard - New Orleans Downtown/Convention Center	Summit Hotel TRS, Inc.	Summit Hotel TRS 102, LLC	720,000	2,053,000	41.0%	1,783,000	4,256,000	07/01/2017	12/31/2020
Summit Hotel OP, LP	103	Residence Inn - New Orleans/Metairie	Summit Hotel TRS, Inc.	Summit Hotel TRS 103, LLC	1,170,000	2,457,000	70.0%	4,000,000	5,250,000	03/11/2016	12/31/2019
Summit Hospitality I, LLC	104	SpringHill Suites - New Orleans Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 104, LLC	566,000	1,324,000	40.0%	1,655,000	4,413,000	07/01/2017	12/31/2020
Summit Hospitality I, LLC	105	Hilton Garden Inn - Cheerie Bl	Summit Hotel TRS, Inc.	Summit Hotel TRS 105, LLC	-	1,761,000	45.0%	-	1,947,000	01/01/2017	12/31/2019
Summit Hospitality 21, LLC	106	Fairfield Inn & Suites - Louisville Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 106, LLC	520,000	1,151,000	44.0%	1,152,000	2,480,000	07/01/2017	12/31/2020
Summit Hospitality 21, LLC	107	SpringHill Suites - Louisville Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 107, LLC	717,000	1,626,000	45.0%	1,595,000	3,331,000	07/01/2017	12/31/2020
Summit Hospitality 22, LLC	108	SpringHill Suites - Indianapolis Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 108, LLC	753,000	1,474,000	37.0%	1,259,000	2,765,000	03/23/2016	12/31/2019
Summit Hospitality 22, LLC	109	Courtyard - Indianapolis Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 109, LLC	1,342,000	2,865,000	52.0%	3,264,000	5,664,000	03/23/2016	12/31/2019
Summit Hospitality 110, LLC	110	Hampton Inn & Suites - San Diego/Poway	Summit Hotel TRS, Inc.	Summit Hotel TRS 110, LLC	-	872,000	39.0%	-	2,230,000	01/01/2017	12/31/2019
Summit Hospitality 111, LLC	111	Hampton Inn & Suites - Camarillo	Summit Hotel TRS, Inc.	Summit Hotel TRS 111, LLC	-	1,215,000	42.0%	-	2,850,000	01/01/2017	12/31/2019
Summit Hospitality 26, LLC	112	Hampton Inn - Santa Barbara/Goleta	Summit Hotel TRS, Inc.	Summit Hotel TRS 112, LLC	2,441,000	2,651,000	50.0%	5,120,000	5,460,000	01/01/2017	12/31/2021
Summit Hospitality 25, LLC	113	Hilton Garden Inn - Houston/Galleria Area	Summit Hotel TRS, Inc.	Summit Hotel TRS 113, LLC	-	1,453,000	40.0%	-	2,822,000	01/01/2017	12/31/2019
Summit Hospitality 114, LLC	114	DoubleTree - San Francisco Airport North	Summit Hotel TRS, Inc.	Summit Hotel TRS 114, LLC	-	2,983,000	35.0%	-	5,172,000	01/01/2017	12/31/2019
Summit Hospitality 115, LLC	115	Four Points - San Francisco Airport	Summit Hotel TRS, Inc.	Summit Hotel TRS 115, LLC	-	1,760,000	40.0%	-	7,826,000	01/01/2017	12/31/2019
Summit Hospitality 116, LLC	116	Hilton Garden Inn - Houston/Energy Corridor	Summit Hotel TRS, Inc.	Summit Hotel TRS 116, LLC	533,000	1,102,000	42.0%	1,288,000	2,634,000	07/01/2016	12/31/2019
Summit Hospitality 117, LLC	117	Hampton Inn & Suites - Austin/Downtown/Convention Center	Summit Hotel TRS, Inc.	Summit Hotel TRS 117, LLC	1,850,000	5,323,000	52.0%	3,430,000	11,370,000	03/03/2014	12/31/2017
Summit Hospitality 118, LLC	118	Hampton Inn & Suites - Minneapolis/Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 118, LLC	540,000	1,326,000	38.0%	2,094,000	3,886,000	07/01/2017	12/31/2020
Summit Hospitality 119, LLC	119	Residence Inn - Bridgewater/Branchburg	Summit Hotel TRS, Inc.	Summit Hotel TRS 119, LLC	1,277,000	2,666,000	49.0%	2,150,000	5,020,000	07/24/2015	12/31/2018
Summit Hospitality 121, LLC	121	Residence Inn - Baltimore/Hunt Valley	Summit Hotel TRS, Inc.	Summit Hotel TRS 121, LLC	1,439,000	3,270,000	31.0%	2,570,000	5,840,000	07/24/2015	12/31/2018
Summit Hospitality 122, LLC	122	Hampton Inn - Boston/Norwood	Summit Hotel TRS, Inc.	Summit Hotel TRS 122, LLC	1,254,000	2,052,000	40.0%	3,000,000	5,750,000	08/14/2015	12/31/2018
Summit Hospitality 123, LLC	123	Hotel Indigo - Asheville Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 123, LLC	1,568,000	3,220,000	51.0%	4,020,000	7,070,000	09/30/2015	12/31/2018
Summit Hospitality 126, LLC	126	Courtyard - Atlanta Decatur Downtown/Emory	Summit Hotel TRS, Inc.	Summit Hotel TRS 125, LLC	638,000	1,480,000	53.0%	1,310,000	5,020,000	10/22/2015	12/31/2018
Summit Hospitality 127, LLC	127	Courtyard - Nashville Vanderbilt/West End	Summit Hotel TRS, Inc.	Summit Hotel TRS 127, LLC	5,549,000	6,426,000	54.0%	12,490,000	11,870,000	01/13/2016	12/31/2019
Summit Hospitality 128, LLC	128	Residence Inn - Atlanta Midtown/Peachtree at 17th	Summit Hotel TRS, Inc.	Summit Hotel TRS 128, LLC	2,207,000	3,458,000	70.0%	6,000,000	8,720,000	01/22/2016	12/31/2019
Summit Hospitality 129, LLC	129	Homewood Suites - Aliso Viejo/Laguna Beach	Summit Hotel TRS, Inc.	Summit Hotel TRS 129, LLC	1,349,000	1,840,000	46.0%	2,898,000	3,335,000	03/01/2017	12/31/2020
Summit Hospitality 130, LLC	130	Hyatt House - Miami Airport	Summit Hotel TRS, Inc.	Summit Hotel TRS 130, LLC	654,000	1,317,000	37.0%	1,599,000	4,046,000	07/01/2017	12/31/2020
Summit Hospitality 131, LLC	131	Marriott - Boulder	Summit Hotel TRS, Inc.	Summit Hotel TRS 131, LLC	1,250,000	3,004,000	49.0%	1,453,000	4,637,000	03/03/2016	12/31/2019
Summit Hospitality 132, LLC	132	Hyatt Place - Chicago/Downtown - The Loop	Summit Hotel TRS, Inc.	Summit Hotel TRS 132, LLC	652,000	1,852,000	48.0%	1,066,000	7,026,000	10/22/2016	12/31/2019
Summit Hospitality 133, LLC	133	Hyatt Place - Phoenix/Mesa	Summit Hotel TRS, Inc.	Summit Hotel TRS 133, LLC	370,000	1,032,000	33.0%	1,883,000	3,040,000	03/01/2017	12/31/2020
Summit Hospitality 134, LLC	134	Courtyard - Fort Lauderdale Beach	Summit Hotel TRS, Inc.	Summit Hotel TRS 134, LLC	1,289,000	1,889,000	43.0%	3,829,000	7,264,000	06/21/2017	12/31/2020
Summit Hospitality 135, LLC	135	Courtyard - Charleston City Center	Summit Hotel TRS, Inc.	Summit Hotel TRS 135, LLC	1,370,000	2,415,000	51.0%	2,578,000	4,335,000	09/05/2017	12/31/2020
Summit Hospitality 136, LLC	136	Hampton Inn & Suites - Baltimore Inner Harbor	Summit Hotel TRS, Inc.	Summit Hotel TRS 136, LLC	467,000	949,000	37.0%	1,317,000	2,446,000	06/21/2017	12/31/2020
Summit Hospitality 137, LLC	137	Residence Inn - Baltimore Downtown/Inner Harbor	Summit Hotel TRS, Inc.	Summit Hotel TRS 137, LLC	1,008,000	1,983,000	48.0%	1,894,000	3,837,000	06/21/2017	12/31/2020
Summit Hospitality 138, LLC	138	Courtyard - Kansas City Country Club Plaza	Summit Hotel TRS, Inc.	Summit Hotel TRS 138, LLC	606,000	1,279,000	42.0%	1,553,000	3,054,000	06/21/2017	12/31/2020
Summit Hospitality 139, LLC	139	Courtyard - Pittsburgh Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 139, LLC	1,279,000	1,760,000	43.0%	1,990,000	3,514,000	06/21/2017	12/31/2020
Summit Hospitality 140, LLC	140	Courtyard - Fort Worth Downtown/Blackstone	Summit Hotel TRS, Inc.	Summit Hotel TRS 140, LLC	833,000	1,935,000	44.0%	1,862,000	4,025,000	06/21/2017	12/31/2020
Summit Hospitality 141, LLC	141	AC Hotel - Atlanta Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 141, LLC	877,000	2,742,000	41.0%	1,629,000	5,049,000	07/13/2017	12/31/2020
Summit Hospitality 142, LLC	142	Homewood Suites - Tucson/St. Philips Plaza University	Summit Hotel TRS, Inc.	Summit Hotel TRS 142, LLC	124,000	1,101,000	43.0%	317,000	2,849,000	11/14/2017	12/31/2020
Summit Hospitality 143, LLC	143	Hilton Garden Inn - Waltham	Summit Hotel TRS, Inc.	Summit Hotel TRS 143, LLC	20,000	1,758,000	42.0%	267,000	3,480,000	11/14/2017	12/31/2020
Summit Hospitality 144, LLC	144	Residence Inn - Cleveland Downtown	Summit Hotel TRS, Inc.	Summit Hotel TRS 144, LLC	153,000	2,061,000	46.0%	340,000	3,638,000	11/14/2017	12/31/2020
Summit Hospitality 145, LLC	145	Courtyard - New Haven/ Yale	Summit Hotel TRS, Inc.	Summit Hotel TRS 145, LLC	255,000	2,955,000	46.0%	469,000	4,879,000	11/14/2017	12/31/2020
TOTAL		83 Hotels w/ 12,242 guestrooms			73,851,000	160,358,000		170,361,000	370,271,000		

Schedule 4.01(p) - Part II - Leased Assets B

Ground Lease Agreements

Six of our hotels are subject to ground lease agreements that cover all of the land underlying the respective hotel property.

(1) The Residence Inn by Marriott located at 9301 NE Cascades Parkway in Portland, OR is subject to a ground lease with an initial lease termination date of June 30, 2084 with one option to extend for an additional 14 years. Ground rent for the initial lease term was prepaid in full at the time we acquired the leasehold interest. If the option to extend is exercised, monthly ground rent will be charged based on a formula established in the ground lease.
(Lessee - Summit Hospitality 085, LLC) (Lessor - The Port Of Portland)

(2) The Hyatt Place located at 9750 NE Cascades Parkway in Portland, OR is subject to a ground lease with a lease termination date of June 30, 2084 with one option to extend for an additional 14 years. Ground rent for the initial lease term was prepaid in full at the time we acquired the leasehold interest. If the option to extend is exercised, monthly ground rent will be charged based on a formula established in the ground lease.
(Lessee - Summit Hospitality 084, LLC) (Lessor - The Port of Portland)

(3) The Hilton Garden Inn located at 3201 Sage Road in Houston (Galleria Area), Texas is subject to a ground lease with an initial lease termination date of April 20, 2053 with one option to extend for an additional 10 years. Annual ground rent currently is estimated to be $0.6 million for 2018. Annual rent is increased every five years with the next adjustment coming in 2018.
(Lessee - Summit Hospitality 25, LLC) (Lessor - Community-Sage, L.P.)

(4) The Holiday Inn located at 6310 Sugarloaf Parkway in Duluth, GA is subject to a ground lease with a lease termination date of April 1, 2069. Annual ground rent currently is estimated to be $0.3 million in 2018. Annual rent is increased annually by 3% for each successive lease year, on a cumulative basis.
(Lessee - Summit Hospitality I, LLC) (Lessor - Diplomat SLP Hotels, LLC)

(5) The Hampton Inn & Suites located at 200 San Jacinto Boulevard in Austin, TX is subject to a ground lease with an initial lease termination date of May 31, 2050. Annual ground rent currently is estimated to be $0.4 million for 2018. Annual rent is increased every five years with the next adjustment coming in 2020.
(Lessee - Summit Hospitality 117, LLC) (Lessor - Finley Company)

(6) The Residence Inn located at 45 Schilling Road in Baltimore (Hunt Valley), MD is subject to a ground lease with a lease termination date of December 31, 2079, including all extension options. Annual rent is approximately $0.4 million and the lease stipulates a 12.5% increase every five years.
(Lessee - Summit Hospitality 121, LLC) (Lessor - Schilling Pepper Lot 27 Business Trust)

These ground leases generally require us to make rental payments and payments for our share of charges, costs, expenses, assessments and liabilities, including real property taxes and utilities. Furthermore, these ground leases generally require us to obtain and maintain insurance covering the subject property.

In addition, the Hyatt Place located at 5 North Avenue in Garden City, NY is subject to a PILOT (payment in lieu of taxes) lease with the Town of Hempstead Industrial Development Authority, or the IDA, as lessor. The lease expires on December 31, 2019. Upon expiration of the lease, Summit Hospitality 100, LLC ("Lessee") expects to exercise its right to acquire a fee simple interest in the Garden City hotel property from the IDA for nominal consideration.

Schedule 4.01(p) - Part III - Management Agreements

OWNERSHIP ENTITY	CODE	PROPERTY NAME	ROOMS	STREET ADDRESS	ZIP CODE	FRANCHISOR	STR CHAINSCALE	MGMT COMPANY	MGMT TERM DATE	TRS HOLDING COMPANY	TRS ENTITY "LESSEE"
Summit Hospitality VI, LLC	003	SpringHill Suites - Minneapolis/St. Paul Airport/Mall of America	113	2870 Metro Drive	55425	Marriott International	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 003, LLC
Summit Hospitality VI, LLC	005	Hampton Inn & Suites - Minneapolis/St. Paul Airport/Mall of America	146	2860 Metro Drive	55425	Hilton Worldwide	Upper Midscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 005, LLC
Summit Hospitality I, LLC	023	Hampton Inn - Provo	87	1511 South 40 East Street	84606	Hilton Worldwide	Upper Midscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 023, LLC
Summit Hotel OP, LP	026	Hyatt Place - Phoenix North	127	10838 North 25th Avenue	85029	Hyatt Hotel Corp.	Upscale	Select Hotels Group, LLC	10/05/2032	Summit Hotel TRS, Inc.	Summit Hotel TRS 026, LLC
San Fran JV, LLC	030	Holiday Inn Express & Suites - San Francisco/Fisherman's Wharf	252	550 North Point Street	94133	IHG	Upper Midscale	Intercontinental Hotel Group Resources, Inc.	12/31/2033	Summit Hotel TRS, Inc.	Summit Hotel TRS 030, LLC
Summit Hospitality I, LLC	037	Residence Inn - Dallas/Arlington South	96	801 Highlander Boulevard	76015	Marriott International	Upscale	Pillar Hotels and Resorts, LP	01/31/2018	Summit Hotel TRS, Inc.	Summit Hotel TRS 037, LLC
Summit Hotel OP, LP	044	Country Inn & Suites - Charleston South, WV	64	105 Alex Lane	25304	Carlson Hospitality	Upper Midscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 044, LLC
Summit Hotel OP, LP	045	Holiday Inn Express - Charleston/Kanawha City	66	107 Alex Lane	25304	IHG	Upper Midscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 045, LLC
Summit Hospitality 057, LLC	057	Hyatt Place - Minneapolis/Downtown	213	425 7th Street South	55415	Hyatt Hotel Corp.	Upscale	Select Hotels Group, LLC	12/31/2033	Summit Hotel TRS, Inc.	Summit Hotel TRS 057, LLC
Summit Hospitality 060, LLC	060	Springhill Suites - Nashville Metro/Center	78	250 Athens Way	37228	Marriott International	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 060, LLC
Summit Hospitality 18, LLC	062	Hilton Garden Inn - Minneapolis/Eden Prairie	97	6330 Point Chase	55344	Hilton Worldwide	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 062, LLC
Summit Hospitality 17, LLC	065	Holiday Inn Express & Suites - Minneapolis/Minnetonka	93	10985 Red Circle Drive	55343	IHG	Upper Midscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 065, LLC
Summit Hospitality I, LLC	066	Courtyard - New Orleans Downtown Near the French Quarter	140	124 St. Charles Avenue	70130	Marriott International	Upscale	Courtyard Management Corporation	12/31/2025	Summit Hotel TRS, Inc.	Summit Hotel TRS 066, LLC
Summit Hospitality 084, LLC	084	Hyatt Place - Portland Airport/Cascade Station	136	9750 Northeast Cascades Parkway	97220	Hyatt Hotel Corp.	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 084, LLC
Summit Hospitality I, LLC	088	Hyatt Place - Fort Myers/at The Forum	148	2600 Champion Ring Road	33905	Hyatt Hotel Corp.	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 088, LLC
Summit Hospitality IX, LLC	089	Hampton Inn & Suites - Nashville/Smyrna	83	2573 Highwood Boulevard	37167	Hilton Worldwide	Upper Midscale	Kana Hotels, Inc.	01/31/2018	Summit Hotel TRS, Inc.	Summit Hotel TRS 089, LLC
Summit Hospitality VIII, LLC	090	Hilton Garden Inn - Nashville/Smyrna	112	2631 Highwood Boulevard	37167	Hilton Worldwide	Upscale	Kana Hotels, Inc.	01/31/2018	Summit Hotel TRS, Inc.	Summit Hotel TRS 090, LLC
Summit Hospitality I, LLC	091	Staybridge Suites - Denver/Cherry Creek	121	4220 East Virginia Avenue	80246	IHG	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 091, LLC
Summit Hospitality I, LLC	095	Holiday Inn - Gwinnett Center	143	6310 Sugarloaf Parkway	30097	IHG	Upper Midscale	IHG Management (Maryland), LLC	12/31/2031	Summit Hotel TRS, Inc.	Summit Hotel TRS 095, LLC
Summit Hospitality I, LLC	096	Hilton Garden Inn - Atlanta NE/Gwinnett Sugarloaf	122	2040 Sugarloaf Circle	30097	Hilton Worldwide	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 096, LLC
Carnegie Hotels, LLC	099	Courtyard - Atlanta Downtown	150	133 Carnegie Way	30303	Marriott International	Upscale	Courtyard Management Corporation	12/31/2036	Summit Hotel TRS, Inc.	Summit Hotel TRS 099, LLC
Summit Hospitality 100, LLC	100	Hyatt Place - Garden City	122	5 North Avenue	11530	Hyatt Hotel Corp.	Upscale	OTO Development, LLC	01/31/2018	Summit Hotel TRS, Inc.	Summit Hotel TRS 100, LLC
Summit Hospitality I, LLC	102	Courtyard - New Orleans Downtown/Convention Center	202	300 Julia Street	70130	Marriott International	Upscale	Courtyard Management Corporation	12/31/2025	Summit Hotel TRS, Inc.	Summit Hotel TRS 102, LLC
Summit Hospitality 25, LLC	113	Hilton Garden Inn - Houston/Galleria Area	182	3201 Sage Road	77056	Hilton Worldwide	Upscale	American Liberty Hospitality, Inc.	01/09/2019	Summit Hotel TRS, Inc.	Summit Hotel TRS 113, LLC
Summit Hospitality 114, LLC	114	DoubleTree - San Francisco Airport North	210	5000 Sierra Point Parkway	94005	Hilton Worldwide	Upscale	Stonebridge Realty Advisors, Inc.	03/14/2019	Summit Hotel TRS, Inc.	Summit Hotel TRS 114, LLC
Summit Hospitality 117, LLC	117	Hampton Inn & Suites - Austin/Downtown/Convention Center	209	200 San Jacinto Boulevard	78701	Hilton Worldwide	Upper Midscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 117, LLC
Summit Hospitality 118, LLC	118	Hampton Inn & Suites - Minneapolis/Downtown	211	19 North 8th Street	55403	Hilton Worldwide	Upper Midscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 118, LLC
Summit Hospitality 119, LLC	119	Residence Inn - Bridgewater/Branchburg	101	3241 Route 22 East	08876	Marriott International	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 119, LLC
Summit Hospitality 121, LLC	121	Residence Inn - Baltimore/Hunt Valley	141	45 Schilling Rd	21031	Marriott International	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 121, LLC
Summit Hospitality 122, LLC	122	Hampton Inn - Boston/Norwood	139	434 Providence Highway (Rt. 1)	02062	Hilton Worldwide	Upper Midscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 122, LLC
Summit Hospitality 123, LLC	123	Hotel Indigo - Asheville Downtown	115	151 Haywood Street	28801	IHG	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 123, LLC
Summit Hospitality 126, LLC	126	Courtyard - Atlanta Decatur Downtown/Emory	179	130 Clairemont Avenue	30030	Marriott International	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 126, LLC
Summit Hospitality 127, LLC	127	Courtyard - Nashville Vanderbilt/West End	225	1901 West End Avenue	37203	Marriott International	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 127, LLC
Summit Hospitality 128, LLC	128	Residence Inn - Atlanta Midtown/Peachtree at 17th	160	1365 Peachtree Street Northeast	30309	Marriott International	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 128, LLC
Summit Hospitality 129, LLC	129	Homewood Suites - Aliso Viejo/Laguna Beach	129	110 Vantis Dr	92656	Hilton Worldwide	Upscale	Stonebridge Realty Advisors, Inc.	03/01/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 129, LLC
Summit Hospitality 130, LLC	130	Hyatt House - Miami Airport	163	5710 Blue Lagoon Drive	33126	Hyatt Hotel Corp.	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 130, LLC
Summit Hospitality 131, LLC	131	Marriott - Boulder	157	2660 Canyon Boulevard	80302	Marriott International	Upper Upscale	Stonebridge Realty Advisors, Inc.	08/09/2018	Summit Hotel TRS, Inc.	Summit Hotel TRS 131, LLC
Summit Hospitality 132, LLC	132	Hyatt Place - Chicago/Downtown-The Loop	205	28 North Franklin Street	60606	Hyatt Hotel Corp.	Upscale	OTO Development, LLC	10/28/2019	Summit Hotel TRS, Inc.	Summit Hotel TRS 132, LLC
Summit Hospitality 134, LLC	134	Courtyard - Fort Lauderdale Beach	251	440 Seabreeze Boulevard	33316	Marriott International	Upscale	Fillmore Hospitality	05/23/2019	Summit Hotel TRS, Inc.	Summit Hotel TRS 134, LLC
Summit Hospitality 135, LLC	135	Courtyard - Charlotte City Center	181	237 South Tryon Street	28202	Marriott International	Upscale	OTO Development, LLC	06/09/2018	Summit Hotel TRS, Inc.	Summit Hotel TRS 135, LLC
Summit Hospitality 136, LLC	136	Hampton Inn & Suites - Baltimore Inner Harbor	116	131 East Redwood Street	21202	Hilton Worldwide	Upper Midscale	OTO Development, LLC	06/21/2018	Summit Hotel TRS, Inc.	Summit Hotel TRS 136, LLC
Summit Hospitality 137, LLC	137	Residence Inn - Baltimore Downtown/Inner Harbor	188	17 Light Street	21202	Marriott International	Upscale	OTO Development, LLC	06/21/2018	Summit Hotel TRS, Inc.	Summit Hotel TRS 137, LLC
Summit Hospitality 138, LLC	138	Courtyard - Kansas City Country Club Plaza	123	4600 JC Nichols Parkway	64112	Marriott International	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 138, LLC
Summit Hospitality 139, LLC	139	Courtyard - Pittsburgh Downtown	182	945 Penn Avenue	15222	Marriott International	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 139, LLC
Summit Hospitality 140, LLC	140	Courtyard - Fort Worth Downtown/Blackstone	203	601 Main Street	76102	Marriott International	Upscale	Courtyard Management Corporation	12/31/2019	Summit Hotel TRS, Inc.	Summit Hotel TRS 140, LLC
Summit Hospitality 141, LLC	141	AC Hotel - Atlanta Downtown	255	101 Andrew J Young International Boulev	30303	Marriott International	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 141, LLC
Summit Hospitality 142, LLC	142	Homewood Suites - Tucson/St. Philip's Plaza University	122	4250 North Campebell Avenue	85718	Hilton Worldwide	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 142, LLC
Summit Hospitality 143, LLC	143	Hilton Garden Inn - Waltham	148	450 Totten Pond Road	02451	Hilton Worldwide	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 143, LLC
Summit Hospitality 144, LLC	144	Residence Inn - Cleveland Downtown	175	527 Prospect Avenue East	44115	Marriott International	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 144, LLC
Summit Hospitality 145, LLC	145	Courtyard - New Haven at Yale	207	30 Whalley Avenue	06511	Marriott International	Upscale	Interstate Management Company, LLC	12/31/2020	Summit Hotel TRS, Inc.	Summit Hotel TRS 145, LLC
TOTAL		59 Hotels w/ 7,600 Guestrooms	7,600								

Schedule 4.01(p) - Part IV - Franchise Agreements

OWNERSHIP ENTITY	CODE	PROPERTY NAME	ROOMS	STREET ADDRESS	ZIP CODE	FRANCHISOR	STR CHAINSCALE	NOTES
Summit Hospitality VI, LLC	003	SpringHill Suites - Minneapolis/St. Paul Airport/Mall of America	113	2870 Metro Drive	55425	Marriott International	Upscale	
Summit Hospitality VI, LLC	005	Hampton Inn & Suites - Minneapolis/St. Paul Airport/Mall of America	146	2860 Metro Drive	55425	Hilton Worldwide	Upper Midscale	
Summit Hospitality I, LLC	023	Hampton Inn - Provo	87	1511 South 40 East Street	84606	Hilton Worldwide	Upper Midscale	
Summit Hotel OP, LP	026	Hyatt Place - Phoenix North	127	10838 North 25th Avenue	85029	Hyatt Hotel Corp.	Upscale	(1)
San Fran JV, LLC	030	Holiday Inn Express & Suites - San Francisco/Fisherman's Wharf	252	550 North Point Street	94133	IHG	Upper Midscale	(1)
Summit Hospitality I, LLC	037	Residence Inn - Dallas/Arlington South	96	801 Highlander Boulevard	76015	Marriott International	Upscale	
Summit Hotel OP, LP	044	Country Inn & Suites - Charleston South, WV	64	105 Alex Lane	25304	Carlson Hospitality	Upper Midscale	
Summit Hotel OP, LP	045	Holiday Inn Express - Charleston/Kanawha City	66	107 Alex Lane	25304	IHG	Upper Midscale	
Summit Hospitality 057, LLC	057	Hyatt Place - Minneapolis/Downtown	213	425 7th Street South	55415	Hyatt Hotel Corp.	Upscale	(1)
Summit Hospitality 060, LLC	060	Springhill Suites - Nashville MetroCenter	79	250 Athens Way	37228	Marriott International	Upscale	
Summit Hospitality 18, LLC	062	Hilton Garden Inn - Minneapolis/Eden Prairie	97	6330 Point Chase	55344	Hilton Worldwide	Upscale	
Summit Hospitality 17, LLC	065	Holiday Inn Express & Suites - Minneapolis/Minnetonka	93	10985 Red Circle Drive	55343	IHG	Upper Midscale	
Summit Hospitality I, LLC	066	Courtyard - New Orleans Downtown Near the French Quarter	140	124 St. Charles Avenue	70130	Marriott International	Upscale	(1)
Summit Hospitality 084, LLC	084	Hyatt Place - Portland Airport/Cascade Station	136	9750 Northeast Cascades Parkway	97220	Hyatt Hotel Corp.	Upscale	
Summit Hospitality I, LLC	088	Hyatt Place - Fort Myers/at The Forum	148	2600 Champion Ring Road	33905	Hyatt Hotel Corp.	Upscale	
Summit Hospitality IX, LLC	089	Hampton Inn & Suites - Nashville/Smyrna	83	2573 Highwood Boulevard	37167	Hilton Worldwide	Upper Midscale	
Summit Hospitality VIII, LLC	090	Hilton Garden Inn - Nashville/Smyrna	112	2631 Highwood Boulevard	37167	Hilton Worldwide	Upscale	
Summit Hospitality I, LLC	094	Staybridge Suites - Denver/Cherry Creek	121	4220 East Virginia Avenue	80246	IHG	Upscale	
Summit Hospitality I, LLC	095	Holiday Inn - Gwinnett Center	143	6310 Sugarloaf Parkway	30097	IHG	Upper Midscale	(1)
Summit Hospitality I, LLC	096	Hilton Garden Inn - Atlanta NE/Gwinnett Sugarloaf	122	2040 Sugarloaf Circle	30097	Hilton Worldwide	Upscale	
Carnegie Hotels, LLC	099	Courtyard - Atlanta Downtown	150	133 Carnegie Way	30303	Marriott International	Upscale	(1)
Summit Hospitality 100, LLC	100	Hyatt Place - Garden City	122	5 North Avenue	11530	Hyatt Hotel Corp.	Upscale	
Summit Hospitality I, LLC	102	Courtyard - New Orleans Downtown/Convention Center	202	300 Julia Street	70130	Marriott International	Upscale	(1)
Summit Hospitality 25, LLC	113	Hilton Garden Inn - Houston/Galleria Area	182	3201 Sage Road	77056	Hilton Worldwide	Upscale	
Summit Hospitality 114, LLC	114	DoubleTree - San Francisco Airport North	210	5000 Sierra Point Parkway	94005	Hilton Worldwide	Upscale	
Summit Hospitality 117, LLC	117	Hampton Inn & Suites - Austin/Downtown/Convention Center	209	200 San Jacinto Boulevard	78701	Hilton Worldwide	Upper Midscale	
Summit Hospitality 118, LLC	118	Hampton Inn & Suites - Minneapolis/Downtown	211	19 North 8th Street	55403	Hilton Worldwide	Upper Midscale	
Summit Hospitality 119, LLC	119	Residence Inn - Bridgewater/Branchburg	101	3241 Route 22 East	08876	Marriott International	Upscale	
Summit Hospitality 121, LLC	121	Residence Inn - Baltimore/Hunt Valley	141	45 Schilling Rd	21031	Marriott International	Upscale	
Summit Hospitality 122, LLC	122	Hampton Inn - Boston/Norwood	139	434 Providence Highway (Rt. 1)	02062	Hilton Worldwide	Upper Midscale	
Summit Hospitality 123, LLC	123	Hotel Indigo - Asheville Downtown	115	151 Haywood Street	28801	IHG	Upscale	
Summit Hospitality 126, LLC	126	Courtyard - Atlanta Decatur Downtown/Emory	179	130 Clairemont Avenue	30030	Marriott International	Upscale	
Summit Hospitality 127, LLC	127	Courtyard - Nashville Vanderbilt/West End	226	1901 West End Avenue	37203	Marriott International	Upscale	
Summit Hospitality 128, LLC	128	Residence Inn - Atlanta Midtown/Peachtree at 17th	160	1365 Peachtree Street Northeast	30309	Marriott International	Upscale	
Summit Hospitality 129, LLC	129	Homewood Suites - Aliso Viejo/Laguna Beach	129	110 Vantis Dr	92656	Hilton Worldwide	Upscale	
Summit Hospitality 130, LLC	130	Hyatt House - Miami Airport	163	5710 Blue Lagoon Drive	33126	Hyatt Hotel Corp.	Upscale	
Summit Hospitality 131, LLC	131	Marriott - Boulder	157	2660 Canyon Boulevard	80302	Marriott International	Upper Upscale	
Summit Hospitality 132, LLC	132	Hyatt Place - Chicago/Downtown-The Loop	206	28 North Franklin Street	60606	Hyatt Hotel Corp.	Upscale	
Summit Hospitality 134, LLC	134	Courtyard - Fort Lauderdale Beach	261	440 Seabreeze Boulevard	33316	Marriott International	Upscale	
Summit Hospitality 135, LLC	135	Courtyard - Charlotte City Center	181	237 South Tryon Street	28202	Marriott International	Upscale	
Summit Hospitality 136, LLC	136	Hampton Inn & Suites - Baltimore Inner Harbor	116	131 East Redwood Street	21202	Hilton Worldwide	Upper Midscale	
Summit Hospitality 137, LLC	137	Residence Inn - Baltimore Downtown/Inner Harbor	188	17 Light Street	21202	Marriott International	Upscale	
Summit Hospitality 138, LLC	138	Courtyard - Kansas City Country Club Plaza	123	4600 JC Nichols Parkway	64112	Marriott International	Upscale	
Summit Hospitality 139, LLC	139	Courtyard - Pittsburgh Downtown	182	945 Penn Avenue	15222	Marriott International	Upscale	
Summit Hospitality 140, LLC	140	Courtyard - Fort Worth Downtown/Blackstone	203	601 Main Street	76102	Marriott International	Upscale	(1)
Summit Hospitality 141, LLC	141	AC Hotel - Atlanta Downtown	255	101 Andrew J.Young International Boule	30303	Marriott International	Upscale	
Summit Hospitality 142, LLC	142	Homewood Suites - Tucson/St. Philip's Plaza University	122	4250 North Campebell Avenue	85718	Hilton Worldwide	Upscale	
Summit Hospitality 143, LLC	143	Hilton Garden Inn - Waltham	148	450 Totten Pond Road	02451	Hilton Worldwide	Upscale	
Summit Hospitality 144, LLC	144	Residence Inn - Cleveland Downtown	175	527 Prospect Avenue East	44115	Marriott International	Upscale	
Summit Hospitality 145, LLC	145	Courtyard - New Haven at Yale	207	30 Whalley Avenue	06511	Marriott International	Upscale	
TOTAL		**50 Hotels w/ 7,600 Guestrooms**	**7,600**					

(1) Hotel is subject to a combined management and franchise agreement.

Schedule 4.01(q) – Environmental Matters

NONE

Schedule 4.01(w) – Plans and Welfare Plans

NONE

EXHIBIT A to the
CREDIT AGREEMENT

FORM OF NOTE

NOTE

$_____ Dated: _____, _____

FOR VALUE RECEIVED, the undersigned, SUMMIT HOTEL OP, LP, a Delaware limited partnership (the " ***Borrower*** "), HEREBY PROMISES TO PAY _____ (the " ***Lender*** ") for the account of its Applicable Lending Office (as defined in the Credit Agreement referred to below) the aggregate principal amount of the Term Loan Advances owing to the Lender by the Borrower pursuant to the First Amended and Restated Credit Agreement dated as of February 15, 2018 (as amended, amended and restated, supplemented or otherwise

modified from time to time, the " ***Credit Agreement*** "; capitalized terms not otherwise defined herein shall have their respective meanings set forth in the Credit Agreement) among the Borrower, the Lender, certain other Lender Parties party thereto, Summit Hotel Properties, Inc., the Subsidiary Guarantors party thereto, KeyBank National Association, as Administrative Agent for the Lender and such other Lender Parties and the Joint Lead Arrangers party thereto, on the Termination Date.

The Borrower promises to pay to the Lender interest on the unpaid principal amount of each Term Loan Advance of the Lender from the date of such Term Loan Advance, until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to KeyBank National Association, as Administrative Agent, at 127 Public Square, Cleveland, Ohio 44114, in same day funds. The Term Loan Advances owing to the Lender by the Borrower and the maturity thereof, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto, which is part of this Note; *provided, however* , that the failure of the Lender to make any such recordation or endorsement shall not affect the Obligations of the Borrower under this Note.

This Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, (a) provides for the making of one or more Term Loan Advances by the Lender to or for the benefit of the Borrower in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from the Term Loan Advances being evidenced by this Note, and (b) contains provisions for acceleration of the maturity hereof upon the happening of an Event of Default and also for prepayments on account of principal hereof prior to the Termination Date upon the terms and conditions therein specified.

[This Note is issued in replacement of that certain, among others, Note dated _____, in the principal face amount of $_____, made by the undersigned Borrower to the order of Lender (the "Prior Note") and shall supersede and replace the Prior Note in all respects.]

[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]

THIS NOTE SHALL, PURSUANT TO NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SUMMIT HOTEL OP, LP ,
a Delaware limited partnership

By: SUMMIT HOTEL GP, LLC,
a Delaware limited liability company,
its general partner

By: SUMMIT HOTEL PROPERTIES, INC.,
a Maryland corporation,
its sole member

By: _
Name:
Title:

TERM LOAN ADVANCES AND PAYMENTS OF PRINCIPAL

Date	Amount of Term Loan Advance	Amount of Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made By

EXHIBIT B to the
CREDIT AGREEMENT

FORM OF NOTICE
OF BORROWING

NOTICE OF BORROWING

_____, ____

KeyBank National Association,
as Administrative Agent
under the Credit Agreement
referred to below
1200 Abernathy Road, N.E., Suite 1550
Atlanta, Georgia 30328
Attention: Michael Colbert

Ladies and Gentlemen:

The undersigned, SUMMIT HOTEL OP, LP, a Delaware limited partnership, refers to the First Amended and Restated Credit Agreement dated as of February 15, 2018 (as amended, amended and restated, supplemented or otherwise modified from time to time, the " ***Credit Agreement*** "; capitalized terms not otherwise defined herein shall have their respective meanings set forth in the Credit Agreement), among the undersigned, Summit Hotel Properties, Inc., the Subsidiary Guarantors party thereto, the Lender Parties party thereto, KeyBank National Association, as Administrative Agent for the Lender Parties and the Joint Lead Arrangers party thereto, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the " ***Proposed Borrowing*** ") as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____ ____, ____.

(ii) **[Reserved]**

(iii) [The Type of Advances comprising the Proposed Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].]

(iv) The aggregate amount of the Proposed Borrowing is [$_____].

(v) [The initial Interest Period for each Eurodollar Rate Advance made as part of the Proposed Borrowing is ____ month[s].]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) The representations and warranties contained in each Loan Document are true and correct on and as of the date of the Proposed Borrowing, before and after giving effect to (1) such Proposed Borrowing and (2) the application of the proceeds therefrom, as though made on and as of the date of the Proposed Borrowing;

(B) No Default or Event of Default has occurred and is continuing, or would result from (1) such Proposed Borrowing or (2) from the application of the proceeds therefrom;

(C) (1) the Total Unencumbered Asset Value equals or exceeds Consolidated Unsecured Indebtedness of the Parent Guarantor, and (2) before and after giving effect to the Proposed Borrowing, the Parent Guarantor shall be in compliance with the covenants contained in Section 5.04, and

(D) Attached hereto as Schedule A is supporting information showing the computations used in determining compliance with the covenants contained in Section 5.04.

Delivery of an executed counterpart of this Notice of Borrowing by telecopier or e-mail (which e-mail shall include an attachment in PDF format or similar format containing the legible signature of the undersigned) shall be effective as delivery of an original executed counterpart of this Notice of Borrowing.

SUMMIT HOTEL OP, LP ,
a Delaware limited partnership

By: SUMMIT HOTEL GP, LLC,
a Delaware limited liability company,
its general partner

By: SUMMIT HOTEL PROPERTIES, INC.,
a Maryland corporation,
its sole member

By: _
Name:
Title:

SCHEDULE A

[ATTACH FINANCIAL COVENANT CALCULATIONS]

EXHIBIT C to the
CREDIT AGREEMENT

[RESERVED]

EXHIBIT D to the
CREDIT AGREEMENT

FORM OF
GUARANTY SUPPLEMENT

GUARANTY SUPPLEMENT

_____, ____

KeyBank National Association,
as Administrative Agent
under the Credit Agreement
referred to below
1200 Abernathy Road, N.E., Suite 1550
Atlanta, Georgia 30328
Attention: Daniel Silbert

First Amended and Restated Credit Agreement dated as of February 15, 2018 (as in effect on the date hereof and as it may hereafter be amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Summit Hotel OP, LP, as Borrower, Summit Hotel Properties, Inc., the Subsidiary Guarantors party thereto, the Lender Parties party thereto, KeyBank National Association, as Administrative Agent for the Lender Parties and the Joint Lead Arrangers party thereto.

Ladies and Gentlemen:

Reference is made to the above-captioned Credit Agreement and to the Guaranty set forth in Article VII thereof (such Guaranty, as in effect on the date hereof and as it may hereafter be amended, supplemented or otherwise modified from time to time, together with this Guaranty Supplement, being the " ***Guaranty*** "). Capitalized terms not otherwise defined herein shall have their respective meanings set forth in the Credit Agreement.

Section 1. Guaranty; Limitation of Liability .

(a) The undersigned hereby absolutely, unconditionally and irrevocably guarantees the punctual payment when due, whether at scheduled maturity or on any date of a required prepayment or by acceleration, demand or otherwise, of all Obligations of the Borrower and each other Loan Party now or hereafter existing under or in respect of the Loan Documents (including, without limitation, any extensions, modifications, substitutions, amendments or renewals of any or all of the foregoing Obligations), whether direct or indirect, absolute or contingent, and whether for principal, interest, premiums, fees, indemnities, contract causes of action, costs, expenses or otherwise in each case exclusive of all Excluded Swap Obligations (such guaranteed Obligations being the " ***Guaranteed Obligations*** "), and agrees to pay any and all

expenses (including, without limitation, fees and expenses of counsel) incurred by the Administrative Agent or any other Lender Party in enforcing any rights under this Guaranty Supplement, the Guaranty, the Credit Agreement or any other Loan Document. Without limiting the generality of the foregoing, the undersigned's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by any other Loan Party to any Lender Party under or in respect of the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving such other Loan Party.

(b) The undersigned, and by its acceptance of the benefits of this Guaranty Supplement, the Administrative Agent and each other Lender Party, hereby confirms that it is the intention of all such Persons that this Guaranty Supplement, the Guaranty and the Obligations of the undersigned hereunder and thereunder not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act, the Uniform Voidable Transactions Act, or any similar foreign, federal or state law to the extent applicable to this Guaranty Supplement, the Guaranty and the Obligations of the undersigned hereunder and thereunder. To effectuate the foregoing intention, the Administrative Agent, the other Lender Parties and the undersigned hereby irrevocably agree that the Obligations of the undersigned under this Guaranty Supplement and the Guaranty at any time shall be limited to the maximum amount as will result in the Obligations of the undersigned under this Guaranty Supplement and the Guaranty not constituting a fraudulent transfer or conveyance.

(c) The undersigned hereby unconditionally and irrevocably agrees that in the event any payment shall be required to be made to any Lender Party under this Guaranty Supplement, the Guaranty or any other guaranty, the undersigned will contribute, to the maximum extent permitted by law, such amounts to each other Subsidiary Guarantor and each other guarantor so as to maximize the aggregate amount paid to the Lender Parties under or in respect of the Loan Documents.

Section 2. Obligations Under the Guaranty . The undersigned hereby agrees, as of the date first above written, to be bound as a Subsidiary Guarantor by all of the terms and conditions of the Credit Agreement and the Guaranty to the same extent as each of the other Subsidiary Guarantors thereunder. The undersigned further agrees, as of the date first above written, that each reference in the Credit Agreement to an " ***Additional Guarantor*** ", a " ***Loan Party*** " or a " ***Subsidiary Guarantor*** " shall also mean and be a reference to the undersigned, and each reference in any other Loan Document to a " ***Subsidiary Guarantor*** " or a " ***Loan Party*** " shall also mean and be a reference to the undersigned.

Section 3. Representations and Warranties . The undersigned hereby makes each representation and warranty set forth in Section 4.01 of the Credit Agreement to the same extent as each other Subsidiary Guarantor; *provided, however* , that, to the extent there have been any changes in factual matters related to the addition of the undersigned as a Subsidiary Guarantor or the addition of any Asset owned by the undersigned as an Unencumbered Asset warranting updated Schedules to the Credit Agreement (so long as such changes in factual matters shall in no event comprise a Default or an Event of Default under the Credit Agreement), such updated Schedules are attached as Exhibit A hereto.

Section 4. Delivery by Telecopier . Delivery of an executed counterpart of a signature page to this Guaranty Supplement by telecopier or e-mail (which e-mail shall include an attachment in PDF format or similar format containing the legible signature of the undersigned) shall be effective as delivery of an original executed counterpart of this Guaranty Supplement.

Section 5. Governing Law; Jurisdiction; Waiver of Jury Trial, Etc .

(a) THIS GUARANTY SUPPLEMENT SHALL PURSUANT TO NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401 BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) The undersigned hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or any federal court of the United States of America sitting in City, County, and State of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Guaranty Supplement, the Guaranty, the Credit Agreement or any of the other Loan Documents to which it is or is to be a party, or for recognition or enforcement of any judgment, and the undersigned hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. The undersigned agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Guaranty Supplement or the Guaranty or the Credit Agreement or any other Loan Document shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Guaranty Supplement, the Credit Agreement, the Guaranty thereunder or any of the other Loan Documents to which it is or is to be a party in the courts of any other jurisdiction.

(c) The undersigned irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Guaranty Supplement, the Credit Agreement, the Guaranty or any of the other Loan Documents to which it is or is to be a party in any New York State or federal court. The undersigned hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court.

(d) THE UNDERSIGNED HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS, THE ADVANCES OR THE ACTIONS OF ANY LENDER PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

Very truly yours,

[NAME OF ADDITIONAL GUARANTOR]

By: _
Name:
Title:

EXHIBIT E to the
CREDIT AGREEMENT

FORM OF
ASSIGNMENT AND ACCEPTANCE

ASSIGNMENT AND ACCEPTANCE

Reference is made to the First Amended and Restated Credit Agreement dated as of February 15, 2018 (as amended, amended and restated, supplemented or otherwise modified from time to time, the " ***Credit Agreement*** "; capitalized terms not otherwise defined herein shall have their respective meanings set forth in the Credit Agreement) among Summit Hotel OP, LP, a Delaware limited partnership, as Borrower, Summit Hotel Properties, Inc., the Subsidiary Guarantors party thereto, the Lender Parties party thereto, KeyBank National Association, as Administrative Agent for the Lender Parties and the Joint Lead Arrangers party thereto.

Each " ***Assignor*** " referred to on Schedule 1 hereto (each, an " ***Assignor*** ") and each " ***Assignee*** " referred to on Schedule 1 hereto (each, an " ***Assignee*** ") agrees severally with respect to all information relating to it and its assignment hereunder and on Schedule 1 hereto as follows:

1. Such Assignor hereby sells and assigns, without recourse except as to the representations and warranties made by it herein, to such Assignee, and such Assignee hereby purchases and assumes from such Assignor, an interest in and to such Assignor's rights and obligations under the Credit Agreement as of the date hereof equal to the percentage interest specified on Schedule 1 hereto of all outstanding rights and obligations under the Facility specified on Schedule 1 hereto. After giving effect to such sale and assignment, such Assignee's Commitments and the amount of the Advances owing to such Assignee will be as set forth on Schedule 1 hereto.

2. Such Assignor (a) represents and warrants that its name set forth on Schedule 1 hereto is its legal name, that it is the legal and beneficial owner of the interest or interests being assigned by it hereunder and that such interest or interests are free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with any Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, any Loan Document or any other instrument or document furnished pursuant thereto; (c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under any Loan Document or any other instrument or document furnished pursuant thereto; and (d) attaches the Note or Notes (if any) held by such Assignor and requests that the Administrative Agent exchange such Note or Notes for a new Note or Notes payable to the order of such Assignee in an amount equal to the Commitments assumed by such Assignee pursuant hereto or new Notes payable to the order of such Assignee in an amount equal to the Commitments assumed by such Assignee pursuant hereto and such Assignor in an amount equal to the Commitments retained by such Assignor under the Credit Agreement, respectively, as specified on Schedule 1 hereto.

3. Such Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Administrative Agent, any Assignor or any other Lender Party and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (d) represents and warrants that its name set forth on Schedule 1 hereto is its legal name; (e) confirms that it is an Eligible Assignee; (f) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (g) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender Party; and (h) attaches any U.S. Internal Revenue Service forms required under Section 2.12 of the Credit Agreement.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date for this Assignment and Acceptance (the " ***Effective Date*** ") shall be the date of acceptance hereof by the Administrative Agent, unless otherwise specified on Schedule 1 hereto.

5. Upon such acceptance by the Administrative Agent and, if applicable, the Borrower and recording by the Administrative Agent, as of the Effective Date, (a) such Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender Party thereunder and (b) such Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement (other than its rights and obligations under the Loan Documents that are specified under the terms of such Loan Documents to survive the payment in full of the Obligations of the Loan Parties under the Loan Documents to the extent any claim thereunder relates to an event arising prior to the Effective Date of this Assignment and Acceptance) and, if this Assignment and Acceptance covers all of the remaining portion of the rights and obligations of such Assignor

under the Credit Agreement, such Assignor shall cease to be a party thereto.

6. Upon such acceptance by the Administrative Agent and, if applicable, the Borrower and recording by the Administrative Agent, from and after the Effective Date, the Administrative Agent shall make all payments under the Credit Agreement and the Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and commitment fees with respect thereto) to such Assignee. Such Assignor and such Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the Notes for periods prior to the Effective Date directly between themselves.

7. THIS ASSIGNMENT AND ACCEPTANCE SHALL, PURSUANT TO NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of Schedule 1 to this Assignment and Acceptance by telecopier or e-mail (which e-mail shall include an attachment in PDF format or similar format containing the legible signature of the person executing this Assignment and Acceptance) shall be effective as delivery of an original executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, each Assignor and each Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

SCHEDULE 1

to

ASSIGNMENT AND ACCEPTANCE

ASSIGNORS:					
Term Loan Facility					
Percentage interest assigned	%	%	%	%	%
Term Loan Commitment assigned	$	$	$	$	$
Aggregate outstanding principal amount of Term Loan Advances assigned	$	$	$	$	$
Principal amount of Note payable to Assignor	$	$	$	$	$

ASSIGNEES:					
Term Loan Facility					
Percentage interest assumed	%	%	%	%	%
Term Loan Commitment assumed	$	$	$	$	$
Aggregate outstanding principal amount of Term Loan Advances assumed	$	$	$	$	$
Principal amount of Note payable to Assignee	$	$	$	$	$

Effective Date (if other than date of acceptance by Administrative Agent):

_____, ____

Assignors

_____, as Assignor
[Type or print legal name of Assignor]

By __
Title:

Dated: _____ __, _____

_____, as Assignor
[Type or print legal name of Assignor]

By __
Title:

Dated: _____ __, _____

_____, as Assignor
[Type or print legal name of Assignor]

By __
Title:

Dated: _____ __, _____

_____, as Assignor
[Type or print legal name of Assignor]

By __
Title:

Dated: _____ __, _____

_____, as Assignor
[Type or print legal name of Assignor]

By __
Title:

Dated: _____ __, _____

_____, as Assignor
[Type or print legal name of Assignor]

By __
Title:

Dated: _____ __, _____

Assignees

_____, as Assignee
[Type or print legal name of Assignor]

By __
Title:

Dated: _____ __, _____
E-mail address for notices

Domestic Lending Office:

Eurodollar Lending Office:

_____, as Assignee
[Type or print legal name of Assignor]

By __

Title:

Dated: _____ __, _____
E-mail address for notices

Domestic Lending Office:

Eurodollar Lending Office:

_____, as Assignee
[Type or print legal name of Assignor]

By _
Title:

Dated: _____ __, _____
E-mail address for notices

Domestic Lending Office:

Eurodollar Lending Office:

_____, as Assignee
[Type or print legal name of Assignor]

By _
Title:

Dated: _____ __, _____
E-mail address for notices

Accepted [and Approved] this _____
day of _____, _____

KEYBANK NATIONAL ASSOCIATION ,
as Administrative Agent

By: _
Name:
Title:

Approved this ____ day
of _____, _____

SUMMIT HOTEL OP, LP ,
a Delaware limited partnership

By: SUMMIT HOTEL GP, LLC, a Delaware limited liability company, its general

partner

By: SUMMIT HOTEL PROPERTIES, INC., a Maryland corporation, its sole member

By: _
Name:
Title:

EXHIBIT F-1 to the CREDIT AGREEMENT

FORM OF OPINION OF KLEINBERG, KAPLAN, WOLFF & COHEN, P.C.

(See Attached)

EXHIBIT F-2 to the CREDIT AGREEMENT

FORM OF OPINION OF VENABLE LLP

(See Attached)

EXHIBIT F-3 to the CREDIT AGREEMENT

FORM OF OPINION OF HAGEN, WILKA & ARCHER, LLP

(See Attached)

EXHIBIT F-4 to the CREDIT AGREEMENT

FORM OF OPINION OF ARNALL GOLDEN GREGORY LLP

(See Attached)

EXHIBIT F-5 to the CREDIT AGREEMENT

FORM OF DELAWARE OPINION

(See Attached)

EXHIBIT G to the CREDIT AGREEMENT

FORM OF SECTION 2.12(g) U.S. TAX COMPLIANCE CERTIFICATE

Reference is hereby made to the First Amended and Restated Credit Agreement dated as of February 15, 2018 (as amended,

supplemented or otherwise modified from time to time, the " ***Credit Agreement*** "), among Summit Hotel OP, LP, as borrower, and KeyBank National Association, as administrative agent, and the other parties party thereto.

Pursuant to the provisions of Section 2.12(g) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER PARTY]

By: __
Name:
Title:

Date: _____, 20___

Exhibit 12.1

Summit Hotel Properties, Inc.
Ratio of Earnings to Fixed Charges and Preferred Stock Dividends
(Dollars in Thousands)

	For the Years Ended December 31,				
	2017	**2016**	**2015**	**2014**	**2013**
Earnings					
Pre-tax income from continuing operations	$ 101,195	$ 106,811	$ 125,809	$ 21,175	$ 11,519
Interest expense	27,665	25,948	28,691	26,968	20,137
Amortization of deferred financing costs	2,022	2,143	1,723	1,549	1,854
Estimate of interest within rental expense	955	—	—	—	—
Amortization of capitalized interest	266	266	348	463	581
Total Earnings	$ 132,103	$ 135,168	$ 156,571	$ 50,155	$ 34,091
Fixed Charges					
Interest expense	$ 27,665	$ 25,948	$ 28,691	$ 26,968	$ 20,137
Capitalized interest	301	—	75	253	453
Amortization of deferred financing costs	2,022	2,143	1,723	1,549	1,854
Estimate of interest within rental expense	955	—	—	—	—
Total Fixed Charges	$ 30,943	$ 28,091	$ 30,489	$ 28,770	$ 22,444
Preferred Dividends	$ 17,408	$ 18,232	$ 16,588	$ 16,588	$ 14,590
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	2.73	2.92	3.33	1.11	0.92 (1)

(1) Earnings for the period were less than fixed charges and preferred stock dividends. The total amount of fixed charges and preferred stock dividends for this period was approximately $37.0 million and the total amount of earnings was approximately $34.1 million. The amount of the deficiency, or the amount of fixed charges and preferred stock dividends in excess of earnings, was approximately $2.9 million.

Exhibit 21.1

List of Subsidiaries of Summit Hotel Properties, Inc.

ENTITY	STATE OF INCORPORATION OR ORGANIZATION
Summit Hotel GP, LLC	Delaware
Summit Hotel OP, LP	Delaware
Asheville Club at 151 Owners Association, Inc.	North Carolina
Norwood Hotel Operator, LLC	Delaware
Summit Arlington CTY License, LLC	Delaware
Summit Fort Worth HGI License, LLC	Delaware
Summit Hospitality of Texas, LLC	Texas
Summit Licensing 121, LLC	Delaware
Summit Licensing 137, LLC	Delaware
Summit Licensing Ft Worth CTY Holding, LLC	Delaware
Summit Licensing Ft Worth CTY, LLC	Delaware
The Residences at 151 Condominium Owners' Association, Inc.	North Carolina
Summit Meta 2017, LLC	Delaware
Summit Hospitality I, LLC	Delaware
Summit Hospitality V, LLC	South Dakota
Summit Hospitality VI, LLC	Delaware
Summit Hospitality VII, LLC	Delaware
Summit Hospitality VIII, LLC	Delaware
Summit Hospitality IX, LLC	Delaware
Summit Hospitality XI, LLC	Delaware
Summit Hospitality XII, LLC	Delaware
Summit Hospitality XIII, LLC	Delaware
Summit Hospitality XIV, LLC	Delaware
Summit Hospitality XV, LLC	Delaware
Summit Group of Scottsdale, Arizona LLC	South Dakota
Summit IHG JV, LLC	Delaware
Summit IHG JV, LLC	Delaware
San Fran JV, LLC	Delaware
Summit Hospitality 17, LLC	Delaware
Summit Hospitality 18, LLC	Delaware
Summit Hospitality 19,LLC	Delaware
Summit Hospitality 20, LLC	Delaware
Summit Hospitality 21, LLC	Delaware
Summit Hospitality 22, LLC	Delaware
Summit Hospitality 23, LLC	Delaware
Summit Hospitality 24, LLC	Delaware
Summit Hospitality 25, LLC	Delaware
Summit Hospitality 26, LLC	Delaware

Summit Hospitality 026 AZ, LLC	Delaware
Summit Hospitality 009, LLC	Delaware
Summit Hospitality 036, LLC	Delaware
Summit Hospitality 039, LLC	Delaware
Summit Hospitality 057, LLC	Delaware
Summit Hospitality 060, LLC	Delaware
Summit Hospitality 066, LLC	Delaware
Summit Hospitality 084, LLC	Delaware
Summit Hospitality 085, LLC	Delaware
Summit Hospitality 099, LLC	Delaware
Summit Hospitality 100, LLC	Delaware
Summit Hospitality 102, LLC	Delaware
Summit Hospitality 104, LLC	Delaware
Summit Hospitality 110, LLC	Delaware
Summit Hospitality 111, LLC	Delaware
Summit Hospitality 114, LLC	Delaware
Summit Hospitality 115, LLC	Delaware
Summit Hospitality 116, LLC	Delaware
Summit Hospitality 117, LLC	Delaware
Summit Hospitality 118, LLC	Delaware
Summit Hospitality 119, LLC	Delaware
Summit Hospitality 120, LLC	Delaware
Summit Hospitality 121, LLC	Delaware
Summit Hospitality 122, LLC	Delaware
Summit Hospitality 123, LLC	Delaware
Summit Hospitality 126, LLC	Delaware
Summit Hospitality 127, LLC	Delaware
Summit Hospitality 128, LLC	Delaware
Summit Hospitality 129, LLC	Delaware
Summit Hospitality 130, LLC	Delaware
Summit Hospitality 131, LLC	Delaware
Summit Hospitality 132, LLC	Delaware
Summit Hospitality 133, LLC	Delaware
Summit Hospitality 134, LLC	Delaware
Summit Hospitality 135, LLC	Delaware
Summit Hospitality 136, LLC	Delaware
Summit Hospitality 137, LLC	Delaware
Summit Hospitality 138, LLC	Delaware
Summit Hospitality 139, LLC	Delaware
Summit Hospitality 140, LLC	Delaware
Summit Hospitality 141, LLC	Delaware
Summit Hospitality 142, LLC	Delaware
Summit Hospitality 143, LLC	Delaware

Summit Hospitality 144, LLC	Delaware
Summit Hospitality 145, LLC	Delaware
Summit Hospitality 146, LLC	Delaware
Summit Hotel TRS, Inc	Delaware
Carnegie Hotels, LLC	Georgia

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-212118) of Summit Hotel Properties, Inc.,
(2) Registration Statement (Form S-8 No. 333-206050) pertaining to the 2011 Equity Incentive Plan of Summit Hotel Properties, Inc.,
(3) Registration Statement (Form S-3 No. 333-203183) of Summit Hotel Properties, Inc.,
(4) Registration Statement (Form S-3 No. 333-203182) of Summit Hotel Properties, Inc.,
(5) Registration Statement (Form S-3 No. 333-179503) of Summit Hotel Properties, Inc.,
(6) Registration Statement (Form S-3 No. 333-187624) of Summit Hotel Properties, Inc., and
(7) Registration Statement (Form S-8 No. 333-172145) pertaining to the 2011 Equity Incentive Plan of Summit Hotel Properties, Inc.

of our reports dated February 21, 2018, with respect to the consolidated financial statements and schedule III of Summit Hotel Properties, Inc. and the effectiveness of internal control over financial reporting of Summit Hotel Properties, Inc. included in this Annual Report (Form 10-K) of Summit Hotel Properties, Inc. for the year ended December 31, 2017.

/s/ Ernst & Young LLP

Austin, Texas

February 21, 2018

Exhibit 31.1

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Daniel P. Hansen, certify that:

1. I have reviewed this Annual Report on Form 10-K of Summit Hotel Properties, Inc.;

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 the financial statement 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 the 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: February 21, 2018

/s/ Daniel P. Hansen

Daniel P. Hansen
Chairman of the Board of Directors
President and Chief Executive Officer
(principal executive officer)

EXHIBIT 31.2

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Greg A. Dowell, certify that:

1. I have reviewed this Annual Report on Form 10-K of Summit Hotel Properties, Inc.;

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 the financial statement 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 the 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: February 21, 2018

/s/ Greg A. Dowell

Greg A. Dowell
Executive Vice President, Chief Financial Officer and
Treasurer
(principal financial officer)

EXHIBIT 32.1

Certification Pursuant To
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Summit Hotel Properties, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel P. Hansen, Chairman of the Board of Directors, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 21, 2018

/s/ Daniel P. Hansen

Daniel P. Hansen
Chairman of the Board of Directors
President and Chief Executive Officer
(principal executive officer)

EXHIBIT 32.2

Certification Pursuant To
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Summit Hotel Properties, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Greg A. Dowell, Executive Vice President, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 21, 2018

/s/ Greg A. Dowell

Greg A. Dowell

Executive Vice President, Chief Financial Officer and Treasurer

(principal financial officer)