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, 2023

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	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	INN	New York Stock Exchange
6.25% Series E Cumulative Redeemable Preferred Stock, par value $0.01 per share	INN-PE	New York Stock Exchange
5.875% Series F Cumulative Redeemable Preferred Stock, par value $0.01 per share	INN-PF	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 every Interactive Data File required to be submitted 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 such files). ☒ 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	☐
		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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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, 2023 was $682,825,287 based on the closing sale price of the registrant's common stock on the New York Stock Exchange as of June 30, 2023.

As of February 9, 2024 the number of outstanding shares of common stock of Summit Hotel Properties, Inc. was 107,593,373.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement on Schedule 14A for its 2024 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, 2023
SUMMIT HOTEL PROPERTIES, INC.

TABLE OF CONTENTS

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:

- global, national, regional and local economic and geopolitical conditions and events, including wars or potential hostilities, such as future terrorist attacks, that may negatively affect business transient, group and other travel or consumer behavior;
- macroeconomic conditions related to, and our ability to manage, inflationary pressures for commodities, labor and other costs of our business;
- consumer purchasing power and overall behavior, or a potential recessionary environment, which could adversely affect our costs, liquidity, consumer confidence, and demand for travel and lodging;
- levels of spending for business and leisure travel;
- adverse changes in occupancy, average daily rate ("ADR") and revenue per available room ("RevPAR") and other lodging property operating metrics;
- potential changes in operations as a result of new regulations or changes in brand standards;
- 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;
- effects of infectious disease outbreaks or pandemics;
- default by borrowers to which we lend or provide seller financing;
- supply and demand factors in our markets or sub-markets;
- the effect of alternative accommodations on our business;
- financial condition of, and our relationships with, third-party property managers and franchisors;
- the degree and nature of our competition;
- increased interest rates or continued high rates of interest;
- increased renovation costs, which may cause actual renovation costs to exceed our current estimates;
- supply-chain disruption, which may reduce access to operating supplies or construction materials and increase related costs;
- changes in zoning laws;
- Significant increases in the cost of real property taxes and/or insurance;
- risks associated with lodging property acquisitions, including the ability to ramp up and stabilize newly acquired lodging properties with limited or no operating history or that require substantial amounts of capital improvements for us to earn economic returns consistent with our expectations at the time of acquisition;
- risks associated with dispositions of lodging properties, including our ability to successfully complete the sale of lodging 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;
- availability of and the abilities of our property managers and us to retain qualified personnel at our lodging property and corporate offices;
- our failure to maintain our qualification as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (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 third-party indemnities or 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 property operator information technology networks as a result of cyber-attacks that are greater than insurance coverages or indemnities from service providers;
- our ability to effectively manage our joint ventures with our joint venture partners;
- current and future changes to the IRC;
- our ability to continue to effectively enhance our Environmental, Social and Governance ("ESG") program to achieve expected social, environment and governance objectives and goals; and
- the other factors discussed in “Part I – Item 1A. – *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 obligation 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 lodging property 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. We focus on owning lodging properties with efficient operating models that generate strong margins and investment returns. At December 31, 2023, our portfolio consisted of 100 lodging properties with a total of 14,912 guestrooms located in 24 states. We own our properties fee simple, except for six hotel properties which are subject to ground leases. As of December 31, 2023, we own 100% of the outstanding equity interests in 56 of our lodging properties. We own a 51% controlling interest in 41 lodging properties through a joint venture with USFI G-Peak Pte. Ltd. ("GIC"), a private limited company incorporated in the Republic of Singapore (the "GIC Joint Venture"), and two 90% equity interests in separate joint ventures (the "Brickell Joint Venture" and the "Onera Joint Venture"). The Brickell Joint Venture owns two lodging properties, and the Onera Joint Venture owns one lodging property.

The GIC Joint Venture was formed in July 2019 with GIC to acquire assets that align with the Company’s current investment strategy and criteria. The Company serves as general partner and asset manager of the GIC Joint Venture and intends to invest 51% of the equity capitalization of the limited partnership, with GIC investing the remaining 49%. The GIC Joint Venture intends to finance assets with an anticipated 50% overall leverage target. The Company earns fees for providing services to the GIC Joint Venture and will have the potential to earn incentive fees based on the GIC Joint Venture achieving certain return thresholds.

As of December 31, 2023, 86% of our guestrooms were located in the top 50 metropolitan statistical areas (“MSAs”), 90% were located within the top 100 MSAs, and over 99% of our guestrooms operated under premium franchise brands owned by Marriott® International, Inc. (“Marriott”), Hilton® Worldwide (“Hilton”), Hyatt® Hotels Corporation (“Hyatt”), and InterContinental® Hotels Group (“IHG”). Our properties are typically located in markets with multiple demand generators such as corporate offices and headquarters, retail centers, airports, state capitols, convention centers, universities, and leisure attractions.

See "Part II - Item 8. – *Financial Statements and Supplementary Data – Note 3 - Investments in Lodging Property, net*" for further information.

Substantially all of our assets are held by, and all of our operations are conducted through, the Operating Partnership. Through a wholly-owned subsidiary, we are the sole general partner of the Operating Partnership. At December 31, 2023, we owned, directly and indirectly, approximately 87% 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 E and Series F preferred units of limited partnership interests. NewcrestImage Holdings, LLC owns all of the issued and outstanding 5.25% Series Z Cumulative Perpetual Preferred Units (Liquidation preference $25 per unit) of the Operating Partnership ("Series Z Preferred Units"), which was issued as part of the NCI Transaction (as defined under Part 1 - Item 1. "*Our Financing Strategy"* below). We collectively refer to preferred units of limited partnership interests of our Operating Partnership as "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. To qualify as a REIT, we cannot operate or manage our lodging properties. Accordingly, all of our lodging properties are leased to our taxable REIT subsidiaries ("TRS Lessees" or "TRSs") and managed by professional third-party property management companies. We have one reportable segment as defined by generally accepted accounting principles (“GAAP”). See "Part II – Item 8. – *Financial Statements and Supplementary Data – Note 2 – Basis of Presentation and Significant Accounting Policies*" to our Consolidated Financial Statements.

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.

Effects of COVID-19 Pandemic

Beginning in March 2020, we experienced the adverse effects of the COVID-19 pandemic (the "Pandemic"), which had a significant negative effect on the U.S. and global economies, including a rapid and sharp decline in all forms of travel, both domestic and international, and a significant decline in lodging demand. As such, we experienced a substantial decline in our revenues, profitability and cash flows from operations from the onset of the Pandemic and into the first quarter of 2022. We began to experience a recovery in our business in the first quarter of 2022, which accelerated in the second quarter of 2022 and thereafter. As a result, we experienced significant improvement in lodging demand during the years ended December 31, 2023 and 2022 led by strong leisure travel and more recently, growth in business transient and group travel.

Business Strategy

Our portfolio consists of lodging properties in desirable locations with efficient operating models. Our approach to creating value includes the following:

- Strategically allocate capital which includes, among other things, capital investment, growth initiatives and other strategic transactions;
- Evolving our portfolio by selling assets with lower operating margins, RevPAR growth opportunities or risk-adjusted return profiles and purchasing assets with higher operating margins, RevPAR growth opportunities or risk-adjusted return profiles; and
- Intensive asset and revenue management.

The key elements of our strategy that we believe will allow us to create long-term value include the following:

Focus on Lodging Properties with Efficient Operating Models. We focus on lodging properties with efficient operating models that are predominantly 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 lodging properties are positioned for long-term demand growth supported by the characteristics of our portfolio and its ability to appeal to evolving guests preferences.

- *Stable Cash Flow*. Our lodging properties are generally operated with fewer employees than full-service lodging properties, which enables our assets to generate higher operating margins and cash flows with less volatility.

- *Broad Customer Base*. Our target brands deliver consistently high-quality guest accommodations with value-oriented pricing that we believe appeals to a wide range of customers, including business transient, group, leisure and government travelers. We believe that our lodging properties are particularly popular with frequent travelers who seek to stay in properties operating under Marriott, Hilton, Hyatt, or IHG brands, which offer strong loyalty rewards programs.

- *Lower Capital Requirements and Enhanced Diversification*. Lodging properties with efficient operating models generally require less capital to acquire, build, and maintain on an absolute and a per-key basis, than lodging properties in the full-service segment of the industry. As a result, we can diversify our investment capital into ownership of a larger number of lodging properties than we could in the full-service segment.

Capitalize on Investments in Our Lodging Properties. We believe in the benefits of strategically investing capital in our properties to ensure they are in good physical condition and facilitate market leading financial performance. We believe these investments produce attractive returns, and we intend to continue to invest capital to upgrade our lodging properties with strategic renovations, property improvement plans, and return on discretionary investments.

External Growth Through Acquisitions. We intend to continue to opportunistically grow through acquisitions of existing lodging properties either through wholly owned or joint venture structures using a disciplined approach, while maintaining a prudent capital structure. We generally target lodging facilities with efficient operating models 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 destination markets;
- operate under leading franchise brands, which may include but are not limited to brands owned by Marriott, Hilton, Hyatt, and IHG, as well as select independent lodging properties that meet our investment criteria;
- located in close proximity to multiple demand generators, such as corporate offices and headquarters, retail centers, airports, state capitols, convention centers, universities, and leisure attractions, with a diverse source of potential guests, including business transient, group, leisure, and government travelers;
- located in markets with barriers to entry due to lengthy or challenging real estate entitlement processes or other factors;
- can be acquired at a discount to replacement cost; and
- provide an opportunity to add value through operating efficiencies, revenue management and asset management expertise, repositioning, renovating or rebranding.

Strategic Lodging Property Sales. We strive to maximize our return on invested capital, and we periodically review our lodging properties to determine if any significant changes to markets or our properties have occurred or are anticipated to occur that would warrant the sale of one or more lodging properties. We intend to continue to pursue a disciplined capital allocation strategy designed to maximize the value of our investments by selectively selling lodging 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 lodging properties, we may redeploy the capital into acquisition and capital investment opportunities that we believe have the potential to generate better risk-adjusted returns, or we may repay outstanding indebtedness. We also expect to generate these improvements in returns with our proactive asset management approach and by investing in our lodging properties to enhance their quality and attractiveness, increase their long-term value and generate more favorable returns on our invested capital.

Selectively Develop Lodging Properties. We endeavor to identify attractive opportunities to selectively partner with experienced developers to acquire, upon completion, newly constructed lodging properties that meet our acquisition criteria. We will consider unique opportunities to develop lodging properties utilizing our own capital 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 lodging property at or after the completion of the development project.

Our Financing Strategy

We rely on cash generated through operations, working capital, borrowings under our senior revolving and term loan facility (the "2023 Senior Credit Facility"), term debt, repayment of notes receivable, proceeds from the issuance of convertible securities, proceeds from the issuance of common and preferred securities, the strategic sale of lodging properties, contributions from our joint venture partners, and the release of restricted cash upon satisfaction of the usage requirements to finance our business. We may also issue Common Units or Preferred Units of the Operating Partnership in connection with acquisitions.

The 2023 Senior Credit Facility is comprised of a $400.0 million revolver (the "$400 Million Revolver") and a $200.0 million term loan facility (the $200 Million Term Loan"). We entered into the 2023 Senior Credit Facility during the year ended December 31, 2023, which amended and restated in its entirety our prior senior credit facility and included fully extended maturities for the $400 Million Revolver and $200 Million Term Loan to June 2028. See "Part II - Item 8. - *Financial Statements and Supplementary Data - Note 6 – Debt*" for further information.

In February 2024, the Company successfully completed a new $200 million senior unsecured term loan financing (the “2024 Term Loan”). The 2024 Term Loan provides for a fully extended maturity date of February 2029 and interest rate pricing ranging from 135 basis points to 235 basis points over the applicable adjusted term Secured Overnight Financing Rate (“SOFR”). Proceeds from the 2024 Term Loan financing along with advances on our $400 Million Revolver were used to repay in full the Company’s $225 million 2018 Term Loan (as defined under "Part II - Item 8. - *Financial Statements and Supplementary Data - Note 6 – Debt*") that was scheduled to mature in February 2025. As a result of the 2024 Term Loan financing, the Company has significantly reduced its debt maturities until 2026 and has an average length to maturity of approximately 3.6 years. Other terms of the agreement are similar to the Company’s previous 2018 Term Loan. See "Part II - Item 8. - *Financial Statements and Supplementary Data - Note 6 – Debt*" for further information.

Our GIC Joint Venture also operates with borrowings under a $200.0 million credit facility (the "GIC Joint Venture Credit Facility"). The GIC Joint Venture Credit Facility is comprised of a $125.0 million revolving credit facility (the “$125 Million Revolver”) and a $75.0 million term loan (the “$75 Million Term Loan”). In September 2023, we recast the GIC Joint Venture Facility to extend the maturities of the $125 Million Revolver and the $75 Million Term Loan to September 2028. See "Part II - Item 8. - *Financial Statements and Supplementary Data - Note 6 – Debt*” for further information.

In January and March 2022, the Operating Partnership and the GIC Joint Venture closed on a transaction with NewcrestImage Holdings, LLC, a Delaware limited liability company, and NewcrestImage Holdings II, LLC, a Delaware limited liability company (together, “NewcrestImage”), to purchase from NewcrestImage a portfolio of 27 lodging properties, containing an aggregate of 3,709 guestrooms, and two parking structures, containing 1,002 spaces and various financial incentives for an aggregate purchase price of $822.0 million (the "NCI Transaction"). In connection with the NCI Transaction, on January 13, 2022, our GIC Joint Venture entered into a $410.0 million senior secured term loan facility (the “GIC Joint Venture Term Loan”) secured by the 27 lodging properties and two parking garages acquired in the NCI Transaction and assumed a Property Assessed Clean Energy (" PACE") loan totaling $6.5 million. The GIC Joint Venture Term Loan has an accordion feature which will permit an increase in the total commitments by up to $190.0 million, for aggregate potential borrowings of up to $600.0 million. The GIC Joint Venture Term Loan has an initial maturity date of January 2026 and can be extended for a single 12-month period at the GIC Joint Venture's option, subject to certain contains. As such, the GIC Joint Venture Term Loan has a fully extended maturity date of January 2027. See "Part II - Item 8. - *Financial Statements and Supplementary Data - Note 6 – Debt*” for further information.

Our long-term leverage approach is to maintain conservative debt levels with high coverage ratios to allow us the flexibility to withstand various economic cycles and to position us for growth when opportunities arise that meet our investment criteria.

Our debt includes, and may include in the future, debt secured by stock pledges, mortgage debt secured by lodging properties and unsecured debt. As of December 31, 2023, we had $1.4 billion in outstanding indebtedness, including $675.9 million related to our joint ventures. Our pro rata debt taking into consideration only our portion of our joint venture debt was $1.1 billion at December 31, 2023.

When purchasing lodging 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 lodging properties from institutional pension funds, private equity investors, REITs, lodging companies and others who are engaged in acquisitions of and investments in lodging properties. 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 lodging properties.

The lodging industry is highly competitive. Our lodging properties compete with other hotel properties 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 lodging property, 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 lodging properties are located and includes competition from existing and new hotel properties and alternative accommodations. 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 make, which may reduce our profitability.

Seasonality

Certain segments of the lodging industry are seasonal in nature. The current trend in our business is for corporate, group and leisure travelers to occupy lodging properties relatively consistently throughout the year, but decreases in business travel occur during summer and the winter holidays. The lodging industry is also seasonal based upon geography. Lodging properties in the southern U.S. tend to have higher occupancy rates during the winter months. Lodging properties in the northern U.S. tend to have higher occupancy rates during the summer months.

Regulation

Our lodging properties are subject to various covenants, laws, ordinances and regulations, including regulations relating to accessibility, fire and safety requirements. We believe each of our lodging properties 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 ongoing, and we will continue to assess our properties and to make alterations as appropriate in this respect.

Environmental, Health and Safety Matters

Our lodging properties and undeveloped 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 the 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, 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 authorization to rely on such reports. None of the Phase I environmental site assessments of the lodging properties in our portfolio revealed any past or present environmental condition that we believe could have a material adverse effect on our business, consolidated 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 lodging properties (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 potential transmission of infectious diseases, 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 lodging properties 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 lodging properties incur costs, and in certain situations, may be required to limit operations, 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 lodging properties, 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, 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, consolidated financial position, or results of operations.

Environmental, Social and Governance ("ESG") Matters

Our ongoing commitment to our environment, our communities and our stakeholders is an important part of our core responsibility to be more sustainable, inclusive and equitable. Since establishing our Corporate Responsibility program in 2017, we have built upon our sustainability objectives, including tracking metrics related to our energy and water consumption and greenhouse gas emissions. We have also established science-aligned reduction targets for emissions and water usage. We continue to improve the efficiency of our buildings and promote sustainable operations through our resource management program, and we have sourced renewable energy for several lodging properties. Additionally, we have expanded charitable engagement with our community through the Summit Foundation, our 501(c)(3) nonprofit organization, and have broadened our social programs to enhance connectivity among our employees, business partners, and other stakeholders to better enable us to champion an environment of diversity and inclusion.

Over the past few years, we have expanded the number of our lodging properties with smart building technologies, electric vehicle charging stations, and green certifications. We reduced our greenhouse gas emissions by 15% from our 2019 baseline year by reducing our energy consumption by 7% and increasing the percentage of our electricity sourced from renewable energy by 6%. For more information on these and our other sustainability practices, including environmental and social metrics and results, please see our current sustainability report available on our website at https://www.shpreit.com/responsibility/about.

Forward-looking and other statements in this report or other locations, such as our corporate website, is informed by various ESG standards and frameworks (including standards for the measurement of underlying data) and the interests of various stakeholders. Such information may not and should not be interpreted as necessarily being “material” under the federal securities laws for reporting purposes with the Securities and Exchange Commission ("SEC"), even if we use the word “material” or “materiality” in such documents. ESG information is also often reliant on third-party information or methodologies that are subject to evolving expectations and best practices, and our approach to and discussion of these matters may continue to evolve as well. For example, our disclosures may change due to revisions in framework requirements, availability of information, changes in our business or applicable governmental policies, or other factors, some of which may be beyond our control. Finally, website and document references in this report are provided for convenience; absent express language to the contrary, such materials are not incorporated by reference to this report.

Tax Status

REIT Election

We have elected to be taxed as a REIT under Sections 856 through 859 of the IRC, 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.

For the income from our lodging 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 lodging properties. We may, however, generate "rents from real property" through leasing our lodging properties to our TRSs, subject to certain conditions. A TRS is a fully taxable corporate subsidiary of a REIT that jointly elects with the REIT to be treated as a TRS of that REIT. Accordingly, all of our lodging properties are leased to our TRS Lessees. We have separate TRSs that lease the lodging properties owned in our joint ventures. We will lease newly acquired lodging properties to our existing TRSs 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 lodging properties. All of our lodging properties are operated pursuant to lodging property management agreements with professional third-party property 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, subject to certain adjustments and excluding any net capital gains. 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. 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 TRSs will be fully subject to federal, state and local corporate income tax.

Human Capital Resources

As of February 9, 2024, we had 78 full-time corporate employees. None of our corporate employees is represented by a labor union or covered by a collective bargaining agreement. All persons employed in the day-to-day operations of our lodging properties are employees of our third-party independent property management companies engaged by our TRS Lessees or their subsidiaries to operate such lodging properties.

Our employees are vital to the success of our Company. We are committed to cultivating a culture of connectedness based on our primary values of passion, integrity, and excellence and strive to create an inspiring and inclusive work environment where our employees feel motivated and empowered to produce exceptional results for the Company. We strive to always be guided by our fundamental values and ethical standards to provide our team members with a fair and equitable work environment. We annually distribute and require acknowledgement of an employee handbook to all employees that provides direction on relevant policies related to conducting our business in accordance with our core values.

Our human capital resource objectives include, as applicable, identifying, recruiting, retaining and incentivizing our employees. To attract and retain top talent, we have designed our compensation and benefits programs to provide a balanced and effective reward structure, including:

- Subsidized medical, dental and vision insurance;
- Life and disability insurance;
- Stock grant program;
- 401(k) savings and retirement plan with Company Safe Harbor contribution;
- Paid family leave; and
- Employee education programs.

We believe that our compensation and employee benefits are competitive and allow us to attract and retain skilled employees throughout our Company. We frequently benchmark our compensation and benefits package against those in both our industry and in similar disciplines.

We have established social programs with the goal of promoting a culture of unity and collaboration among our various departments through career and personal development opportunities designed to inspire all of those involved. Our career and personal development focus on four main principles: (1) communication and teamwork; (2) networking and mentorship; (3) leadership development; and (4) work-life balance. In addition, we have a formal annual goal setting and performance review process for our employees.

We believe that equal employment opportunity is a fundamental principle and do not tolerate discrimination against any person on the basis of race, color, religious creed, sex, age, gender, gender identity, national origin, ancestry, present or past history of mental disability, learning disability, physical disability, marital status, pregnancy, genetic information, sexual orientation or any other protected characteristic as established by law, in recruiting, hiring, compensation, benefits, termination or any other terms or conditions of employment. Our employees have multiple avenues available through which concerns or inappropriate behavior can be reported, including a confidential hotline. Any concerns or reports of inappropriate behavior would be promptly investigated with appropriate action taken to address such concerns or behavior.

We are committed to maintaining a work culture that treats all employees fairly and with respect, promotes inclusivity and provides equal opportunities for advancement based on merit. Our workforce diversity has increased during the year ended December 31, 2023. Of the 78 full-time corporate employees employed by us at February 9, 2024, women constituted approximately 45% of our workforce. Individuals who identify as traditionally underrepresented races or ethnicities constituted approximately 22% of our workforce. We intend to continue using a combination of targeted recruiting, talent development and internal promotion strategies to expand the diversity of our employee base across all roles and functions.

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 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. 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.

Summary of Risk Factors

Risks Related to Our Business

- Risks related to achieving revenue and net income growth
- Risks related to financing, 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;
- Risks related to acquisitions
- Risks of taxable gains as a result of lodging property dispositions
- Risks related to our third-party property management companies
- Risks related to lodging property management and franchise agreements
- Risks related to increased interest rates or continued high rates of interest, and our ability to hedge our interest rate exposure
- Risks related to retaining key personnel
- Risks related to organized labor
- Risks related to the effect on our business or guest confidence from a data breach or significant disruption of property operator information technology networks as a result of cyber-attacks that are greater than insurance coverages or indemnities from service providers
- Risks related to uninsured and underinsured losses
- Risks related to the management of our joint ventures
- Risks related to inflation
- Risks related to credit financing that we may provide to borrowers
- Risks related to global, national, regional and local economic and geopolitical conditions and events, including wars or potential hostilities, such as terrorist attacks that may affect travel

Risks Related to the Lodging Industry

- Risks related to infectious disease outbreaks or pandemics
- Risks related to adverse changes in economic conditions
- Risks related to competition from other lodging properties and alternative accommodations
- Risks inherent to the ownership of lodging properties and the markets in which we operate
- Risks related to lodging property development and other capital expenditures
- Risks related to changes in consumer trends and preferences

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

- Risks related to the illiquidity of real estate investments
- Risks related to compliance with the laws, regulations and covenants that apply to our lodging properties
- Risks related to right-of-use assets on which certain of our lodging properties are located
- Risks related to adverse changes in income and property tax rates or amendments to tax regimes that increase our state and local tax liabilities

Risks Related to Our Organization and Structure

- Risks related to our fiduciary duties as the general partner of our Operating Partnership
- Risks related to the provisions of our charter
- Risks related to the provisions of Maryland law
- Risks related to the limited rights of our stockholders
- Risks related to actions taken by our board of directors
- Risks related to being a holding company with no direct operations
- Risks related to maintaining an effective system of internal controls

Risks Related to Ownership of Our Securities

- Risks related to the continued listing of our securities on a nationally-recognized exchange
- Risks related to expected distributions
- Risks related to stock price volatility
- Risks related to the issuance of debt or equity securities

Risks Related to Our Status as a REIT

- Risks related to compliance with REIT regulations
- Risks related to our TRS structure, including increased tax liabilities and operating costs
- Risks that transactions with our TRSs are not conducted on arm's-length terms
- Risks that the management companies of our lodging properties may not qualify as "eligible independent contractors," or our lodging properties may not be considered "qualified lodging facilities"
- Risks that the 100% prohibited transactions tax may limit our ability to dispose of our properties
- Risks related to adverse legislative or regulatory tax changes
- Risks related to our REIT distribution requirements
- Risks that our Operating Partnership could be treated as a publicly traded partnership taxable as a corporation for federal income tax purposes
- Risks that stockholders may be restricted from acquiring or transferring certain amounts of our stock
- Risks that 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

Risks Related to Environmental, Social and Governance Factors

- Risks related to environmental uncertainties and natural disasters
- Risks related to our ability to continue to manage our ESG program to achieve expected social, environment and governance objectives and goals

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 lodging guestrooms and general economic conditions.

Our business strategy includes achieving continued revenue and cash flow growth from anticipated improvement in demand for lodging guestrooms driven by long-term economic growth. We, however, cannot provide any assurances that demand for lodging 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 slowdown in the general economy or a recession resulting in weakening demand, our operating results and growth prospects could be adversely affected. As a result, any slowdown in economic growth or an 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 lodging properties, such as debt service payments, property taxes, insurance, utilities, and certain employee compensation costs are relatively fixed. They do not necessarily decrease directly with a reduction in revenue at the lodging properties and may be subject to increases that are not related to the performance of our lodging properties or the increase in the rate of inflation. Also, as of December 31, 2023, six of our lodging properties are subject to third-party ground leases which generally require periodic increases in rent payments. Our ability to pay these rents could be adversely affected if our revenues for these lodging properties 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, the managers of our lodging properties may not be able to reduce the size of the property 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 lodging properties.

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

We believe that unions are generally becoming increasingly active about organizing workers at lodging properties in certain locations and in some cases are demanding changes to work rules or conditions that are potentially more costly to owners. Union activity in markets in which we own lodging properties can increase our operating costs even if our hotels are not unionized. If the workers at our lodging properties unionize in the future or if there is unionization activity in a market in which we own a lodging property, we could incur a significant increase in administrative, labor and legal expenses, which could adversely affect our consolidated financial position, results of operations, and cash flows or the market price of our stock.

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

Our growth strategy includes the disciplined acquisition of lodging properties as opportunities arise, which may be subject to restrictions related to our debt covenants. Our ability to acquire lodging properties on satisfactory terms or at all is subject to the following significant risks:

- we may be unable to acquire desired lodging properties 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 lodging properties 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.

Additionally, if the United States experiences a significant economic downturn, we would have to manage our costs and capital investments accordingly, which could adversely affect our near-term growth. Our inability to complete lodging property acquisitions on favorable terms or at all, could adversely affect our consolidated financial position, results of operations, and cash flows or the market price of our stock.

The sale of certain lodging 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").

From time to time, 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 lodging properties, could adversely affect our consolidated financial position, results of operations, and cash flows or the market price of our stock. Moreover, Section 1031 Exchanges now only apply to real property and do not apply to any related personal property transferred with the real property. As a result, any appreciated personal property that is transferred in connection with a Section 1031 Exchange of real property will cause gain to be recognized, and such gain is generally treated as non-qualifying income for the REIT 95% and 75% gross income tests. Any such non-qualifying income could have an adverse effect on our REIT status.

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

Our ability to successfully integrate newly acquired lodging properties 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 lodging properties in new markets or not have the lodging properties achieve their maximum potential;
- market conditions may result in lower-than-expected occupancy and guestroom rates;
- we may acquire lodging properties 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 lodging properties and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the lodging properties;
- we may need to spend more than anticipated amounts to make necessary improvements or renovations to our newly acquired lodging properties;
- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of lodging properties, into our existing operations; and
- the inability of our acquired lodging properties to meet our operating performance expectations could adversely affect our consolidated 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 lodging properties, including unknown liabilities.

We may assume existing liabilities in connection with the acquisition of lodging 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 lodging guests, vendors or other persons dealing with the seller of a particular lodging 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 consolidated financial position, results of operations, and cash flows or the market price of our stock.

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

To qualify as a REIT, we cannot operate or manage our lodging properties. Accordingly, all of our lodging properties are leased to TRS Lessees of our TRSs. All of our lodging properties are operated pursuant to management agreements with independent management companies, each of which must qualify as an "eligible independent contractor" to operate our lodging properties. As a result, our consolidated financial position, results of operations and our ability to service debt and make distributions to stockholders are dependent on the ability of our management companies to operate our lodging properties successfully. Any failure of our 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 lodging properties and could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

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

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 lodging properties.

Our property managers or their affiliates manage, and in some cases own, have invested in, or provided credit support or operating guarantees to lodging properties that compete with our lodging properties, all of which may result in conflicts of interest. As a result, our 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 lodging properties are managed by affiliates of the franchisors for such lodging properties. 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 management performance if we desire to retain the franchise license.

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

The management of a large number of lodging properties in our portfolio is currently concentrated with one property management company.

As of December 31, 2023, Aimbridge Hospitality or its affiliates ("Aimbridge") managed 61 of our 100 lodging properties. Thus, a substantial portion of our revenues is generated by lodging properties managed by Aimbridge. This significant concentration of operational risk in one management company makes us more vulnerable economically than if our management was more evenly diversified among several management companies. Any adverse developments in Aimbridge's business, financial strength or ability to operate our lodging properties efficiently and effectively could have a material adverse effect on our results of operations. We cannot provide assurance that Aimbridge will satisfy its obligations to us or effectively and efficiently operate our lodging properties. The failure or inability of Aimbridge to satisfy its obligations to us or effectively and efficiently operate our lodging properties could adversely affect our consolidated financial position, results of operations, and cash flows or the market price of our stock.

Our lodging properties may be clustered geographically increasing business risks based on adverse market conditions.

Our lodging properties are primarily located in the top 50 MSAs and 90% are located within the top 100 MSAs. In certain regions, we have lodging properties that are concentrated geographically, which may increase business risks based on adverse market conditions. Adverse market developments in a particular region, which themselves may become more frequent and severe due to climate change, could adversely affect lodging demand and rates. Also, adverse market developments caused by increased capacity in a region in which we are located could adversely affect rates or demand for our lodging properties due to increased competition. These conditions could have a material adverse effect on our profitability and cash generation.

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

Our 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 lodging property without the consent of the manager or franchisor. For example, the terms of some of these agreements may restrict our ability to sell a lodging property unless the purchaser is not a competitor of the management company or franchisor, assumes the related agreement and meets specified other conditions. In addition, our franchise agreements restrict our ability to rebrand particular lodging properties 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 property managers or franchisors under these agreements as a condition to changing management or franchise brands of our lodging properties, 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 consolidated 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 lodging properties operate under franchise agreements, and the maintenance of franchise licenses for our lodging properties is subject to our franchisors' operating standards and other terms and conditions. We expect that franchisors will periodically inspect our lodging properties to ensure that we, our TRS Lessees and our property management companies maintain our franchisors' standards. Failure by us, our TRS Lessees or our management companies to maintain these standards or other terms and conditions could result in a franchise license being terminated. 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 lodging property. As a condition of our continued holding of a franchise license, a franchisor could also require us to make capital improvements to our lodging properties, 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 lodging property because of the loss of associated name recognition, marketing support and centralized reservation systems provided by the franchisor. Because our lodging properties are concentrated with a limited number of franchise brands, a loss of all of the licenses for a particular franchise could adversely affect our consolidated 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 lodging properties 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, and contributions from joint venture partners related to joint venture activities, 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 revolving 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 revolving credit and term loan facilities. 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.

Additionally, certain factors may have an adverse effect on our ability to access certain capital sources, including our financial performance, degree of leverage, the value of our unencumbered lodging properties, borrowing restrictions imposed by lenders, volatility in the equity and debt capital markets and other market conditions. 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 lodging property acquisitions, capital improvements and development activities and other general 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, consolidated financial position and results of operations 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 2023 Senior Credit 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 2023 Senior Credit Facility, there can be no assurance that our 2023 Senior Credit Facility will be available to repay such maturing debt, as draws under our 2023 Senior Credit Facility are subject to certain use restrictions and limitations based upon our unencumbered assets and certain financial covenants.

These conditions could adversely affect our consolidated 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;
- make certain investments in lodging properties or other assets;
- enter into, terminate or modify leases for our lodging properties and property management and franchise agreements;
- make certain expenditures, including capital expenditures;
- undertake construction of certain development assets if aggregate budgeted costs for such assets exceeds a specified percentage of total asset value;
- 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 exercise their remedies available under the terms of the loan agreements, which could include accelerating outstanding debt 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 equity pledges or foreclosing on or requiring the sale of our lodging properties, and the proceeds from the sale of these assets may not be sufficient to repay such debt in full.

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

Secured debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in any lodging property subject to mortgage debt or equity pledges.

A portion of our long-term debt existing as of December 31, 2023 is secured by mortgages on our lodging properties. Incurring mortgages, equity pledges 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 lodging property securing such loans or the entities whose equity is pledged to secure such loans, which would include a loss of all of such entity's assets. For tax purposes, a foreclosure of any of our lodging properties would be treated as a sale of the lodging property 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 lodging property, 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 or other secured indebtedness on the lodging properties and entities in our portfolio or lodging properties and entities that we acquire in the future. Any default under any one of our secured debt obligations may increase the risk of our default on our other indebtedness.

These conditions could adversely affect our consolidated 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 continued high rates of interest on our variable rate debt 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 general corporate purposes, including funding of working capital, capital improvements to our lodging properties, acquisitions of additional lodging properties, or dividends, among other things. 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 lodging properties specifically. Continued high rates of interest on our variable debt could also result in an elevated cost of capital for an extended period which, in turn, could have a negative effect on real estate asset values generally, and our lodging properties specifically.

See “Part II — Item 7A. — *Quantitative and Qualitative Disclosures about Market Risk*.”

These conditions could adversely affect our consolidated 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, however, such arrangements may adversely affect us.

We have entered into six interest rate swaps having an aggregate notional amount of $600.0 million at December 31, 2023, 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, caps, and collars. 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 collect, 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 consolidated financial position, results of operations, and cash flows or the market price of our stock. At December 31, 2023, our interest rate swaps were in an asset position totaling $14.0 million (see "Part II – Item 8. – *Financial Statements and Supplementary Data – Note 8 – Derivative Financial Instruments and Hedging*").

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 consolidated 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 lodging properties, including liability, fire and extended coverage, of the type and amount we believe are customarily obtained for or by owners of properties similar to our lodging properties. Various types of catastrophic losses, such as hurricanes, floods and droughts, which can be exacerbated by climate change, or other losses caused by earthquakes, acts of terrorism, data breaches, losses related to business disruption from disputes with franchisors, losses related to business disruption caused by the Pandemic, or losses from customer litigation, 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 lodging property, as well as the anticipated future revenue from the lodging property. 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 lodging properties.

These conditions could adversely affect our consolidated 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 lodging properties, 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 customer information. These systems require the collection and retention of large volumes of the personally identifiable information of the guests of our lodging properties, 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-attacks are expected to accelerate on a global basis in both frequency and magnitude as threat actors are becoming increasingly sophisticated in using techniques that circumvent controls, evade detection, and remove or obfuscate forensic evidence, which means that we and our third-party providers may be unable to detect, investigate, contain or recover from future attacks or incidents in a timely or effective manner.

Cyber criminals may be able to penetrate our network security, or the network security of our property managers and franchisors, and misappropriate or compromise our confidential information or that of the guests of our lodging properties, create system disruptions or cause the shutdown of our lodging properties. 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 property 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 property 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 lodging properties.

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 lodging properties. Many of the information systems and networks used to operate our lodging properties are managed by our third-party property managers or franchisors and are not under our control. Any compromise of the function, security and availability of the information networks managed by our third-party property managers or franchisors could result in disruptions to operations, delayed sales or bookings, lost guest reservations, increased costs and lower margins. In addition, the Pandemic caused a shift to remote work and has increased cybersecurity risk as a result of global remote working dynamics for our customers, employees and third-party providers that present additional opportunities for threat actors to engage in social engineering and to exploit vulnerabilities in non-corporate networks. 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 property 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 property 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 affect the ability of our third-party property managers and franchisors to fulfill reservations for guestrooms and other services offered at our lodging properties.

Although we work with our third-party property managers and franchisors 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 property managers and franchisors to protect proprietary and guest information from these threats.

All of our third-party property 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 property managers. Despite various precautionary steps to protect our lodging properties from losses resulting from cyber-attacks, any occurrence of a cyber-attack could still result in losses at our properties, which could affect our results of operations. We have not experienced any cyber incidents that we believe to be material or that could have a material adverse effect on the business, consolidated financial position and results of operations of the Company.

Any of these items could adversely affect our consolidated 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.

We have in the past and may in the future enter into strategic joint ventures with unaffiliated investors to acquire, develop, improve or dispose of lodging properties, 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 lodging properties 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 of that joint venture 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 consolidated financial position, results of operations, and cash flows or the market price of our stock.

Inflation may affect consumer confidence which could reduce consumer demand for lodging, and may increase our operating costs, resulting in a material adverse effect on our business, consolidated financial position, results of operations and cash flows.

Our business is generally correlated to certain macroeconomic trends. During the year ended December 31, 2022 and thereafter, the U.S. economy has experienced a high rate of inflation, which has moderated during the year ended December 31, 2023 but still remains above historical levels. The effects of high inflation or a potential recessionary environment could adversely affect our costs, liquidity, consumer confidence, and demand for travel and lodging and could disrupt our supply chain, which would adversely affect the operation of our lodging properties. A high rate of inflation or disruption of our supply chain will cause our operating and renovation costs to increase. These conditions could have a material adverse effect on our business, consolidated financial position, results of operations and cash flows.

We may provide mezzanine financing to developers or seller financing in connection with the disposition of a lodging property which exposes us to credit financing risk in the case of a borrower default, resulting in a material adverse effect on our business, consolidated financial position, results of operations and cash flows.

We selectively provide mezzanine financing to developers, where we also have the opportunity to acquire the lodging property at or after the completion of the development project, and we also provide seller financing in connection with the disposition of a lodging property under limited circumstances. As such, we are subject to credit financing risk in the case of a borrower default. These conditions could have a material adverse effect on our business, consolidated financial position, results of operations and cash flows.

Risks Related to the Lodging Industry

The outbreak of any highly infectious or contagious diseases, could adversely affect the number of guests visiting our lodging properties and disrupt our operations, resulting in a material adverse effect on our business, consolidated financial position, results of operations and cash flows.

Our business is sensitive to the willingness and ability of our customers to travel. The outbreak of any highly infectious or contagious diseases or a pandemic may result in decreases in travel to and from, and economic activity in, areas in which we operate, and may adversely affect the number of guests that visit our lodging properties. The spread of highly infectious or contagious diseases could cause severe disruptions in air and other forms of travel that reduce the number of guests visiting our lodging properties. This could disrupt our operations and we could experience a material adverse effect on our business, consolidated financial position, results of operations and cash flows. Management cannot predict the extent to which disruptions in travel as a result of infectious disease outbreaks will have a material adverse effect on our business, consolidated financial position, results of operations and cash flows.

Economic conditions may adversely affect the lodging industry.

The performance of the lodging industry has historically been directly correlated 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 consolidated 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 lodging properties compete with other properties for guests in each market in which our lodging properties 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 similar 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 lodging properties are located and includes competition from existing and new lodging properties, including alternative accommodations. The price transparency of the lodging industry could lead to difficulty in increasing ADR as our competitors may 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 consolidated 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 lodging properties and the markets in which we operate.

Lodging properties 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 lodging properties 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 lodging properties in our markets, which could adversely affect occupancy and revenue at the lodging properties 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 and insurance costs due to inflation and other factors that may not be offset by increased guestroom rates;
- potential increases in labor costs at our lodging properties, 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 consolidated 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 lodging properties, which require us to devote funds to these purposes.

Our lodging properties 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, our lenders and property 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, including the effect of supply-chain disruptions;
- defects in design or construction;
- 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 consolidated financial position, results of operations, and cash flows or the market price of our stock.

Development of lodging properties is subject to timing, budgeting and other risks.

We have in the past and may in the future develop lodging properties or acquire lodging properties that are under development as suitable opportunities arise, taking into consideration general economic conditions. The development of lodging properties involves a number of risks, including the following:

- possible environmental problems;
- construction cost overruns and delays;
- 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 lodging properties or acquire lodging properties 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 consolidated financial position, results of operations, and cash flows or the market price of our stock.

Customers may increasingly use Internet travel intermediaries.

Guestrooms for our lodging properties can be booked through Internet travel intermediaries, including, but not limited to Expedia.com and Booking.com, and their portfolio of companies (commonly referred to as "online travel agents" or "OTA's"). As these Internet bookings increase, these intermediaries may be able to obtain higher commissions, reduced guestroom rates or other significant contract concessions from our property management companies. Moreover, some of these Internet travel intermediaries are attempting to offer lodging property guestrooms as a commodity, by increasing the importance of price and general indicators of quality (such as “three-star downtown property”) 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 lodging properties are franchised. If the amount of sales made through Internet intermediaries increases significantly, guestroom revenue may flatten or decrease, which could adversely affect our consolidated 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 lodging properties.

Consumer trends and preferences continuously change, especially within younger generations. Many new lodging property 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 consolidated 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 lodging properties or to adjust our portfolio in response to changes in economic and other conditions.

Our ability to promptly sell one or more lodging properties 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 lodging properties 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. As such, the composition of our portfolio may be difficult to vary in response to changing economic, financial and investment conditions. The real estate market is also 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;
- governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances and any changes thereto;
- the ongoing need for capital improvements, particularly in older structures, that may require us to periodically close or partially close our assets for renovation and 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, environmental uncertainties, or outbreaks of highly infectious diseases or pandemics.

These conditions could adversely affect our consolidated 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 lodging properties 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 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 lodging properties (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 lodging properties also routinely handle or use hazardous or regulated substances and waste in their operations (for example, swimming pool chemicals or biological waste). Our lodging properties 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 lodging properties, 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, consolidated financial position, or results of operations.

Certain lodging properties 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 consolidated 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 lodging properties, 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 lodging properties 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 lodging properties. Our lodging properties are also subject to regulations intended to address the risk of highly infectious diseases which can restrict certain activities of our lodging properties and result in increased costs. 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 lodging properties currently may be in noncompliance with the ADA. If one or more of the lodging properties 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 property 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 consolidated 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 lodging properties 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 lodging property on the ground lease property. An event of default that is not timely cured could adversely affect our consolidated 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 consolidated 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 into the business combination provisions of the MGCL and we may, by amendment to our bylaws, opt into 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. However, NewcrestImage has the right to designate one person for election to our board of directors in connection with the Director Nomination Agreement entered into as part of the NCI Transaction, subject to certain conditions.

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 consolidated 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 liabilities 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, including the Convertible Notes (defined below under "Part II. - *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources"*). 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 87% of the Common Units in the Operating Partnership, all of the issued and outstanding 6.25% Series E Cumulative Redeemable Preferred Units of the Operating Partnership ("Series E Preferred Units"), and all of the issued and outstanding 5.875% Series F Cumulative Redeemable Preferred Units of the Operating Partnership ("Series F Preferred Units"). An unrelated third-party owns all of the issued and outstanding Series Z Preferred Units that were issued in January 2022 as part of the NCI Transaction. 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 lodging 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 6.25% Series E Cumulative Redeemable Preferred Stock trades on the NYSE under the symbol "INN-PE," and our 5.875% Series F Cumulative Redeemable Preferred Stock trades on the NYSE under the symbol "INN-PF." 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.

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 limitations imposed by our credit facilities, 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 2023 Senior 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 our 2023 Senior Credit Facility to pay distributions, we would be more limited in our ability to execute our strategy of using our 2023 Senior Credit Facility to fund acquisitions or capital expenditures. 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, convertible notes or other securities in the future;
- the inclusion of our common stock and preferred stock in equity indices, which could induce additional purchases;
- the exclusion of our common stock and preferred stock from equity indices;
- 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 may 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 9, 2024, all 15,948,628 of the Common Units are redeemable and may in the future be converted into shares of our common stock on a one-for-one basis 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 May 13, 2021 (as amended and restated, the "Equity Plan"), the issuance of our common stock or Common Units in connection with lodging property, 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 convertible notes, 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 preemptive 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 lodging properties 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 property management companies do not qualify as "eligible independent contractors" or if our lodging properties 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;
- we could be subject to 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 TRSs are 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.

The REIT distribution requirements may adversely affect our operations.

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, limits on our ability or the ability of certain of our subsidiaries to deduct interest expense from borrowings under Section 163(j) of the IRC, the effect of non-deductible capital expenditures, the creation of reserves, 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 TRSs increases our overall tax liability.

Our TRSs are subject to federal, state and local income tax on their taxable income, which typically consists of the revenue from the lodging properties leased by our TRS Lessees, net of the operating expenses for such lodging properties and rent payments to us. In certain circumstances, the ability of our TRSs to deduct interest expense or utilize net operating loss carryforwards for federal income tax purposes may be limited. Accordingly, although our ownership of our TRSs allows us to participate in the operating income from our lodging properties in addition to receiving rent, that operating income will be fully subject to income tax. The after-tax net income of our TRSs is available for distribution to us.

Our TRS Lessee structure subjects us to the risk of increased lodging property operating expenses.

Our leases with our TRS Lessees require our TRS Lessees to pay us rent based in part on revenue from our lodging properties. Our operating risks include decreases in lodging revenues and increases in lodging operating expenses, including but not limited to increases in wage and benefit costs, repair and maintenance expenses, energy costs and other operating expenses, which would adversely affect our TRSs' ability to pay us rent due under the leases. Increases in these operating expenses could adversely affect our consolidated 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 that is 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 property management companies, or any other property management companies that we may engage in the future may not qualify as "eligible independent contractors," or our lodging properties 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 lodging properties are managed by an "eligible independent contractor" and certain other requirements are satisfied. We lease all of our lodging properties to our TRS Lessees. All of our lodging properties are operated pursuant to property management agreements with property management companies that we believe qualify as an "eligible independent contractor." Among other requirements, to qualify as an eligible independent contractor, the property 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 lodging property 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 lodging property 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 property 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 property management contract with a TRS or its TRS Lessee. As of the date hereof, we believe each of our property management companies operates qualified lodging facilities for certain persons who are not related to us or our TRSs. However, no assurances can be provided that our property management companies or any other property 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 TRSs is subject to limitations and our transactions with our TRSs 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% 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. We monitor the value of our investment in our TRSs for the purpose of ensuring compliance with TRS ownership limitations and structure our transactions with our TRSs 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% TRS limitations or to avoid application of the 100% excise tax.

If any subsidiary REIT failed to qualify as a REIT, we could be subject to higher taxes and could fail to remain qualified as a REIT.

We own and may in the future own interests in entities that have elected to be taxed as a REIT under the U.S. federal income tax laws (each, a "subsidiary REIT"). A subsidiary REIT is subject to the various REIT qualification requirements and other limitations described herein that are applicable to us. If any of our subsidiary REITs were to fail to qualify as a REIT, then (i) such subsidiary REIT would become subject to U.S. federal income tax and (ii) our ownership of shares in such subsidiary REIT would cease to be a qualifying asset for purposes of the asset tests applicable to REITs. If any subsidiary REIT were to fail to qualify as a REIT, it is possible that we would fail certain of the asset tests applicable to REITs, in which event we would fail to qualify as a REIT unless we could avail ourselves of certain relief provisions. We may make "protective" TRS elections with respect to our subsidiary REITs and may implement other protective arrangements intended to avoid such an outcome if a subsidiary REIT were not to qualify as a REIT, but there can be no assurance that such "protective" election and other arrangements will be effective to avoid the resulting adverse consequences to us. Moreover, even if the "protective" TRS election was to be effective in the event of the failure of our subsidiary REIT to maintain its qualification as a REIT, such subsidiary REIT would be subject to federal income tax and we cannot assure you that we would not fail to satisfy the requirement that not more than 20 percent of the value of our total assets may be represented by the securities of one or more TRSs. In this event, we would fail to qualify as a REIT unless we or such subsidiary REIT could avail ourselves or itself of certain relief provisions.

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. We cannot predict the long-term effect of any recent changes or any future law changes on REITs and their stockholders. In addition, several proposals have been made that would make substantial changes to the federal income tax laws generally. We cannot predict whether any of these proposed changes will become law.

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 ensure 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 taxes 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 U.S. federal income tax purposes. As a result, stockholders may be required to pay income taxes 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 these taxes, 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 with 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 decide 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 TRSs, 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.

Risks Related to Environmental, Social and Governance Factors

Increasing attention to and evolving expectations for environmental, social and governance ("ESG") matters may increase our costs, harm our reputation, or otherwise adversely affect our business.

We established our Corporate Responsibility program in 2017 to take positive actions to meet our responsibility to be more sustainable, inclusive and equitable and to address increasing investor and societal concern related to climate change, social justice and governance matters. Companies across industries are facing increasing scrutiny from a variety of stakeholders related to their ESG and sustainability practices. Expectations regarding voluntary ESG initiatives and disclosures may result in increased costs (including but not limited to increased costs related to compliance, stakeholder engagement, contracting and insurance), changes in demand for certain markets, enhanced compliance or disclosure obligations, or other adverse effects on our business, consolidated financial position, or results of operations.

In addition, from time to time we establish and publicly announce voluntary efforts (including but not limited to disclosures, certifications, goals and commitments) with respect to our sustainability programs and initiatives. However, such efforts may be costly and may not have the desired effect. For example, expectations around our management of ESG matters continues to evolve rapidly, in many instances due to factors that are out of our control. Moreover, certain of our efforts are based on hypothetical expectations and assumptions that are necessarily uncertain and may be prone to error or misinterpretation due to the long timelines involved and the lack of an established single approach to identifying, measuring, and reporting on many ESG matters. Our efforts may also be at least partially reliant on third-party information, which we do not necessarily, and in some cases cannot, independently verify. Any errors in such information, including estimates and assumptions, may materially and adversely affect our ability to achieve our ESG-related goals. If we and our brand and property management partners fail to properly establish, fail to achieve, or fail to adequately report on our progress toward achieving our sustainability goals and commitments, or are otherwise perceived as having not sufficiently addressed ESG matters, we may be subject to negative publicity that could adversely affect consumer preference for our lodging properties or subject us to enhanced investor or regulator engagement on our ESG initiatives and disclosures, even if such efforts are currently voluntary.

Certain market participants, including major institutional investors and capital providers, use third-party benchmarks and scores to assess companies' ESG profiles in making investment or voting decisions. Unfavorable ESG ratings could lead to increased negative investor sentiment towards us or our industry, which could negatively affect our share price as well as our access to and cost of capital. To the extent ESG matters negatively affect our reputation, it may also impede our ability to compete as effectively to attract and retain employees or customers, which may adversely affect our operations. We also anticipate there to be increasing regulation, disclosure-related and otherwise, regarding ESG matters, which could result in increased costs and scrutiny that could increase the risk associated with all of the items identified in this risk factor. Certain of our customers, suppliers, and business partners may also be subject to similar risks, which could result in additional or augmented risks

Our business is subject to risks that may arise from climate change.

There are inherent climate-related risks wherever businesses operate. We are subject to risks associated with natural disasters, including but not limited to storms, flooding, droughts, wildfires, and extreme temperature events. Such disasters may become more frequent or intense as a result of climate change. Climate change may also result in negative physical effects, including rising sea levels and changes in temperature and precipitation patterns. As a result of the foregoing, we may experience increased costs or decreased availability of certain products which are important to our or our lessees' operations, including but not limited to insurance, water, and energy. Separately, we have incurred, and in future may continue to incur, costs associated with structural enhancements to our lodging properties to mitigate climate-related effects. While such costs to-date have not been material, we cannot guarantee that we will not be subject to material costs in future. Even in situations where we have engaged in mitigation efforts, we may incur significant losses or repair costs or business interruptions that may not be fully covered by insurance.

Additionally, our business is exposed to risks associated with efforts to mitigate or respond to climate change, including but not limited to regulatory developments and changes in market demand. For example, some state and local governments have adopted, or considered adopting, restrictions on water use or GHG emissions. Separately, the SEC has proposed disclosure requirements that would require companies to disclose a range of climate-related information, which may require us to incur substantial monitoring and compliance costs. Changes in consumer preferences, whether due to physical climate conditions or environmentally-minded travel considerations, may also result in decreased demand for lodging in certain markets where we operate. These and other risks may reduce demand for our properties or otherwise result in adverse effects on our business, consolidated financial position, and results of operations.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program includes a cybersecurity incident response plan.

Our cybersecurity risk management program is integrated with our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Our cybersecurity risk management program includes the following key elements:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, services, and our broader enterprise information technology ("IT") environment;
- the use of external cybersecurity service providers, where appropriate, to assess, test or otherwise assist with aspects of our security processes and internal IT and risk management professionals principally responsible for directing (1) our cybersecurity risk assessment processes, (2) our security processes, and (3) our response to cybersecurity incidents;
- cybersecurity awareness training of employees with access to our IT systems;
- a cybersecurity incident response plan to respond to cybersecurity incidents; and
- a third-party risk management process for service providers.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, consolidated financial position, or results of operations. We face certain ongoing risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, consolidated financial position, or results of operations. *See "Risk Factors – Risks Related to Our Business."*

Cybersecurity Governance

Our Board of Directors (the "Board") considers cybersecurity risk as critical to the enterprise and manages the cybersecurity risk oversight function through the Audit Committee. The Audit Committee oversees management's design, implementation and enforcement of our cybersecurity risk management program.

Our Chief Risk Officer ("CRO") periodically reports to the Audit Committee and leads the Company's overall cybersecurity function. The Audit Committee receives regular reports from our CRO on our cybersecurity risks, including briefings on our cyber risk management program. A potentially material cybersecurity incident would be immediately reported to the Audit Committee and management would continue to brief the Audit Committee on management's response to the cybersecurity incident. Audit Committee members also receive periodic presentations on cybersecurity topics from our CRO, supported by our information technology staff, or external experts as part of the Board's continuing education on topics that may affect public companies.

Our CRO supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which include briefings from internal personnel; threat intelligence and other information obtained from governmental, public or private sources, including external cybersecurity service providers; and alerts and reports produced by security tools deployed in our IT environment.

Item 2. Properties.

Our Portfolio

According to current chain scales as defined by STR, as of December 31, 2023, six of our lodging properties with a total of 953 guestrooms are categorized as Upper Upscale hotels, 78 of our lodging properties with a total of 11,903 guestrooms are categorized as Upscale hotels, and 14 of our lodging properties with a total of 1,998 guestrooms are categorized as Upper Midscale hotels. We have two independent lodging properties with a total of 58 guestrooms. Lodging property information for the year ended December 31, 2023 is as follows:

Franchise/Brand	Location	STR Chain Scale	Number of Guestrooms
Marriott			
AC Hotel by Marriott	Atlanta, GA	Upscale	255
AC Hotel by Marriott (1)	Houston, TX	Upscale	195
AC Hotel by Marriott (2)	Miami, FL	Upscale	156
AC Hotel by Marriott (1)	Frisco, TX	Upscale	150
AC Hotel by Marriott (1)	Oklahoma City, OK	Upscale	142
AC Hotel by Marriott (1)	Dallas, TX	Upscale	128
Courtyard by Marriott	Indianapolis, IN	Upscale	297
Courtyard by Marriott	Fort Lauderdale, FL	Upscale	261
Courtyard by Marriott	Nashville, TN	Upscale	226
Courtyard by Marriott	New Haven, CT	Upscale	207
Courtyard by Marriott	Fort Worth, TX	Upscale	203
Courtyard by Marriott	New Orleans (Convention), LA	Upscale	202
Courtyard by Marriott (1)	Pittsburgh, PA	Upscale	183
Courtyard by Marriott	Charlotte, NC	Upscale	181
Courtyard by Marriott (1)	Grapevine, TX	Upscale	181
Courtyard by Marriott	Atlanta (Decatur), GA	Upscale	179
Courtyard by Marriott (1)	Phoenix (Scottsdale), AZ	Upscale	153
Courtyard by Marriott	New Orleans (Metairie), LA	Upscale	153
Courtyard by Marriott	Atlanta (Downtown), GA	Upscale	150
Courtyard by Marriott	New Orleans (French Quarter), LA	Upscale	140
Courtyard by Marriott	Kansas City, MO	Upscale	123
Courtyard by Marriott (1)	Amarillo, TX	Upscale	107
Courtyard by Marriott	Dallas (Arlington), TX	Upscale	103
Element (2)	Miami, FL	Upscale	108
Fairfield Inn & Suites by Marriott	Louisville, KY	Upper Midscale	140
Four Points by Sheraton	San Francisco, CA	Upscale	101
Marriott	Boulder, CO	Upper Upscale	165
Residence Inn by Marriott (1)	Portland (Downtown), OR	Upscale	258
Residence Inn by Marriott	Baltimore (Downtown), MD	Upscale	189
Residence Inn by Marriott	Cleveland, OH	Upscale	175
Residence Inn by Marriott	Atlanta, GA	Upscale	160
Residence Inn by Marriott	Boston (Watertown), MA	Upscale	150
Residence Inn by Marriott (1)	Frisco, TX	Upscale	150
Residence Inn by Marriott	Baltimore (Hunt Valley), MD	Upscale	141
Residence Inn by Marriott	Portland (Portland Airport at Cascade Station), OR	Upscale	124
Residence Inn by Marriott (1)	Portland (Hillsboro), OR	Upscale	122
Residence Inn by Marriott (1)	Dallas, TX	Upscale	121
Residence Inn by Marriott	New Orleans (Metairie), LA	Upscale	120
Residence Inn by Marriott (1)	Scottsdale, AZ	Upscale	120
Residence Inn by Marriott (1)	Tyler, TX	Upscale	119
Residence Inn by Marriott (1)	Steamboat Springs, CO	Upscale	110
Residence Inn by Marriott	Branchburg, NJ	Upscale	101
Residence Inn by Marriott	Dallas (Arlington), TX	Upscale	96
SpringHill Suites by Marriott	New Orleans, LA	Upscale	208

Franchise/Brand	Location	STR Chain Scale	Number of Guestrooms
SpringHill Suites by Marriott	Louisville, KY	Upscale	198
SpringHill Suites by Marriott	Indianapolis, IN	Upscale	156
SpringHill Suites by Marriott (1)	Dallas, TX	Upscale	148
SpringHill Suites by Marriott (1)	Phoenix (Scottsdale), AZ	Upscale	121
SpringHill Suites by Marriott	Nashville, TN	Upscale	78
SpringHill Suites by Marriott (1)	New Orleans, LA	Upscale	74
TownePlace Suites by Marriott (1)	Grapevine, TX	Upper Midscale	120
TownePlace Suites by Marriott (1)	New Orleans, LA	Upper Midscale	105
Total Marriott (52 hotel properties)			**8,053**
Hilton			
Canopy Hotel (1)	New Orleans, LA	Upper Upscale	176
Canopy Hotel (1)	Frisco, TX	Upper Upscale	150
DoubleTree	Brisbane, CA	Upscale	210
Embassy Suites (1)	Amarillo, TX	Upper Upscale	226
Embassy Suites (1)	Tucson, AZ	Upper Upscale	120
Hampton Inn & Suites	Minneapolis, MN	Upper Midscale	211
Hampton Inn & Suites	Austin, TX	Upper Midscale	209
Hampton Inn & Suites (1)	Dallas, TX	Upper Midscale	176
Hampton Inn & Suites (1)	Tampa (Ybor City), FL	Upper Midscale	138
Hampton Inn & Suites	Ventura (Camarillo), CA	Upper Midscale	116
Hampton Inn & Suites	Baltimore, MD	Upper Midscale	116
Hampton Inn & Suites	San Diego (Poway), CA	Upper Midscale	108
Hampton Inn & Suites (1)	Silverthorne, CO	Upper Midscale	88
Hilton Garden Inn	Houston (Energy Corridor), TX	Upscale	190
Hilton Garden Inn	Houston (Galleria), TX	Upscale	182
Hilton Garden Inn (1)	San Jose (Milpitas), CA	Upscale	161
Hilton Garden Inn (1)	Grapevine, TX	Upscale	152
Hilton Garden Inn	Boston (Waltham), MA	Upscale	148
Hilton Garden Inn (1)	Longview, TX	Upscale	122
Hilton Garden Inn	Greenville, SC	Upscale	120
Hilton Garden Inn (1)	Bryan, TX	Upscale	119
Homewood Suites (1)	Aliso Viejo (Laguna Beach), CA	Upscale	129
Homewood Suites (1)	Tucson, AZ	Upscale	122
Homewood Suites (1)	Midland, TX	Upscale	118
Total Hilton (24 hotel properties)			**3,607**
Hyatt			
Hyatt House	Orlando, FL	Upscale	168
Hyatt House	Miami, FL	Upscale	163
Hyatt House	Denver (Englewood), CO	Upscale	135
Hyatt Place	Minneapolis, MN	Upscale	213
Hyatt Place	Chicago (Downtown), IL	Upscale	206
Hyatt Place	Phoenix (Mesa), AZ	Upscale	152
Hyatt Place	Orlando, FL	Upscale	151
Hyatt Place	Orlando (Universal), FL	Upscale	150
Hyatt Place	Portland (Portland Airport/Cascade Station), OR	Upscale	136
Hyatt Place (1)	Oklahoma City, OK	Upscale	134
Hyatt Place	Denver (Lone Tree), CO	Upscale	127
Hyatt Place (1)	Plano, TX	Upscale	127
Hyatt Place	Denver (Englewood), CO	Upscale	126
Hyatt Place	Phoenix (Scottsdale), AZ	Upscale	126
Hyatt Place (1)	Grapevine, TX	Upscale	125

Franchise/Brand	Location	STR Chain Scale	Number of Guestrooms
Hyatt Place (1)	Lubbock, TX	Upscale	125
Hyatt Place	Long Island (Garden City), NY	Upscale	122
Total Hyatt (17 hotel properties)			**2,486**
IHG			
Holiday Inn Express & Suites	San Francisco, CA	Upper Midscale	252
Holiday Inn Express & Suites (1)	Oklahoma City, OK	Upper Midscale	124
Holiday Inn Express & Suites (1)	Grapevine, TX	Upper Midscale	95
Hotel Indigo	Asheville, NC	Upper Upscale	116
Staybridge Suites	Denver (Glendale), CO	Upscale	121
Total IHG (5 hotel properties)			**708**
Other			
Nordic Lodge (1)	Steamboat Springs, CO	Independent	47
Onera Escapes (3)	Fredericksburg, TX	N/A	11
Total Other (2 properties)			**58**
Total Portfolio (100 lodging properties)			**14,912**

(1) We own a 51% controlling interest in these lodging properties through our consolidated GIC Joint Venture.
(2) We own a 90% controlling interest in these lodging properties through our consolidated Brickell Joint Venture.
(3) We own a 90% controlling interest in this lodging property through our consolidated Onera Joint Venture.

In addition to our lodging property portfolio, we own two parcels of undeveloped land that are designated as held for sale. The land parcels are generally suitable for the development of new lodging properties or the development of restaurants. When unique opportunities to develop lodging properties utilizing our own resources arise, we may develop our own lodging properties on occasion. To reduce the risk of incurring a prohibited transaction tax on any sales of our undeveloped land, we may transfer some or all of these land parcels to our TRSs.

Our Lodging Property Operating Agreements

Ground Leases

At December 31, 2023, six of our lodging properties are subject to third-party ground lease agreements that cover all of the land underlying the respective lodging property.

- The Residence Inn by Marriott located in Portland (Portland Airport at Cascade Station), 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 Hyatt Place located in Portland (Portland Airport/Cascade Station), 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 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 $0.5 million, including performance-based incentive rent. Annual rent is increased every five years with the next adjustment coming in 2025.

- The Hilton Garden Inn located in Houston (Galleria), TX 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, including performance-based incentive rent. Annual rent is increased every five years with the next adjustment coming in 2028.

- The Embassy Suites located in Amarillo, TX is subject to a ground lease with an initial lease termination date of October 1, 2095. The annual ground rent is nominal and increases every year.

- The Canopy Hotel located in New Orleans, LA is subject to a ground lease with an initial lease termination date of December 31, 2054. The annual ground rent is nominal and is fixed for the first 30 years.

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.

Franchise Agreements

At December 31, 2023, all except for two of our lodging properties operate under franchise agreements, or similar agreements, that allow for access to reservation systems, with Marriott, Hilton, Hyatt, or IHG. We believe that the public's perception of the quality associated with a branded lodging property 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 lodging properties across the brand system.

The terms of our franchise agreements generally range from 10 to 30 years with various extension provisions. Each of our franchisors receive franchise fees ranging from 3% to 6% of each lodging 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 lodging property's gross or room revenues, depending on the franchisor, to ensure that we comply with the franchisors' standards and requirements. We also pay fees to our franchisors for services related to reservation and information systems.

Property Management Agreements

At December 31, 2023, all of our lodging properties are operated pursuant to property management agreements with professional third-party property management companies as follows:

Management Company	Number of Properties	Number of Guestrooms
Affiliates of Aimbridge Hospitality	61	9,096
OTO Development, LLC	12	1,765
Stonebridge Realty Advisors, Inc. and affiliates	8	1,143
Affiliates of Marriott, including Courtyard Management Corporation, SpringHill SMC Corporation and Residence Inn by Marriott, Inc.	6	973
Crestline Hotels & Resorts, LLC	5	617
White Lodging Services Corporation	2	453
Hersha Hospitality Management	2	338
Concord Hospitality Enterprises	2	264
InterContinental Hotel Group Resources, Inc., an affiliate of IHG	1	252
Blink Data Services, LLC	1	11
Total	**100**	**14,912**

Our typical property management agreement requires us to pay a base fee to our property manager calculated as a percentage of total property revenues. In addition, our property management agreements generally provide that the property manager can earn an incentive fee upon achieving earnings before interest, taxes, depreciation and amortization ("EBITDA") over certain thresholds. Our TRS Lessees may employ other property managers in the future. We do not, and will not, have any ownership or economic interest in any of the property 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 consolidated 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

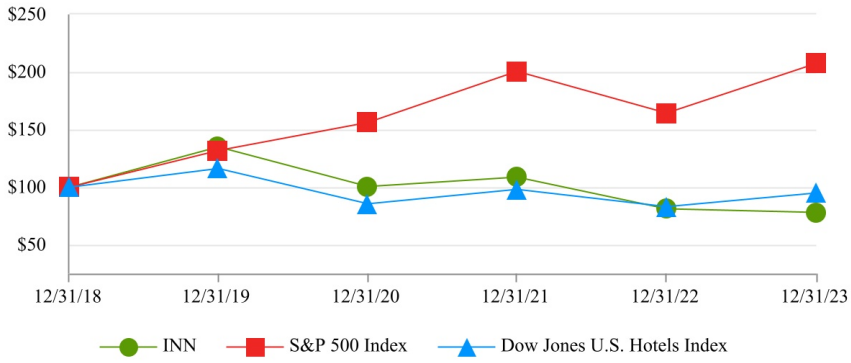
Our common stock began trading on the NYSE on February 9, 2011 under the symbol "INN." Prior to that time, there was no public trading market for our common stock. The last reported sale price for our common stock as reported on the NYSE on February 9, 2024 was $6.64 per share.

Stockholder Information

As of February 9, 2024, our common stock was held of record by 263 holders and there were 107,593,373 shares of our common stock outstanding.

Stockholder Return Performance

The following graph compares the five-year cumulative total stockholder return on our common stock against the cumulative total returns of the Standard & Poor's Corporation Composite 500 Index and the Dow Jones U.S. Hotels Index. The graph assumes an initial investment of $100 in our common stock and in each of the indexes, and also assumes the reinvestment of dividends.



	For the Years Ended December 31,					
Index	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Summit Hotel Properties, Inc.	$ 100.00	$ 134.90	$ 100.03	$ 108.35	$ 80.91	$ 77.90
S&P 500 Index	$ 100.00	$ 131.49	$ 155.68	$ 200.37	$ 164.08	$ 207.21
Dow Jones U.S. Hotels Index	$ 100.00	$ 115.88	$ 85.39	$ 97.80	$ 82.76	$ 94.91

This performance graph shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or incorporated by reference into any filing of Summit Hotel Properties, Inc. (or any of our respective subsidiaries) under the Securities Act, except as shall be expressly set forth by specific reference in such filing.

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, 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 lodging properties.

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 all cumulative distributions on our preferred stock have been declared and either paid or set aside for payment in full for all past distribution periods.

As a result of the negative financial effects of the Pandemic on our business, we suspended the declaration and payment of dividends and distributions on our common stock and operating partnership units from the first quarter of 2020 until the second quarter of 2022. Commencing for the third quarter of 2022, a $0.04 per share quarterly common dividend and distribution was declared, and increased to $0.06 per share in the second and third quarters of 2023. A $0.06 per share quarterly common dividend and distribution was declared for the fourth quarter of 2023 and is payable on February 29, 2023 to stockholders and unit holders of record on February 15, 2024.

Item 6. [Reserved]

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, and therefore hotel revenues, include changes in GDP, corporate profits, capital investments, and employment. From a cost perspective, elevated inflation has been pervasive since 2022, increasing the cost of salaries, wages, supplies, material, freight, insurance and energy. Higher costs from broad inflationary pressures have been partially offset by lodging price increases. While growth rates have decelerated, inflation is still increasing faster than historical norms, which may continue in 2024.

During the year ended December 31, 2023, we experienced a continued recovery from the Pandemic driven increasingly by strong group travel and improvements in business transient demand, in addition to continued strength in leisure travel. From an industry perspective, the year ended December 31, 2023 represented a new high in lodging demand, further evidence that businesses and individual consumers alike are increasingly traveling. Strong room night demand coupled with minimal forecasted growth in supply over the next several years positions the industry for continued growth. Based on the trends noted above, we expect positive comparable hotel RevPAR growth for our portfolio for the year ended December 31, 2024.

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 lodging properties, groups of lodging properties 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 represents total room revenues divided by the total number of paid occupied guestrooms.
- **Revenue Per Available Room** — RevPAR is the product of ADR and Occupancy.

Occupancy, ADR and RevPAR are commonly used measures within the lodging industry to evaluate operating performance. RevPAR is an important metric for monitoring operating performance at the individual lodging property level and across our business as a whole. We evaluate individual lodging property RevPAR performance on an absolute basis with comparisons to budget and prior periods, as well as on a company-wide and market-by-market 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 lodging property 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 lodging property construction, and the pricing strategies of competitors. In addition, our ADR, occupancy and RevPAR performance is dependent on the continued success of our partners, franchisors and brands.

Lodging Property Portfolio Activity

We continuously evaluate alternatives to refine our portfolio to drive growth and create value. In the normal course of business, we evaluate opportunities to acquire additional properties that meet our investment criteria and opportunities to recycle capital through the disposition of properties. As such, the composition and size of our portfolio of properties may change materially over time. Significant changes to our portfolio of properties could have a material effect on our Consolidated Financial Statements.

During the quarter ended March 31, 2022, the Operating Partnership and the GIC Joint Venture closed on the NCI Transaction for the acquisition of a portfolio of 27 lodging properties, containing an aggregate of 3,709 guestrooms, and two parking structures, containing 1,002 spaces, and various financial incentives for an aggregate purchase price of $822.0 million.

In May 2022, the GIC Joint Venture completed the sale of the 169-guestroom Hilton Garden Inn San Francisco Airport North in San Francisco, CA for a gross selling price of $75.0 million. The sale of this property resulted in a net gain of $20.5 million to the GIC Joint Venture.

In June 2022, we formed the Brickell Joint Venture (see "See Part II – Item 8. – *Financial Statements and Supplementary Data - Note 10 - Non-controlling Interests and Redeemable Non-controlling Interests*") to facilitate the exercise of our purchase option to acquire a 90% equity interest in the AC Hotel by Marriott and Element Miami Brickell Hotel in Miami, FL (together the "AC/Element Hotel"). The exercise price of the purchase option was $89.0 million and was primarily funded with the conversion of the mezzanine loan of $29.9 million to equity, $7.9 million in cash and the assumption of debt.

In October 2022, we completed the acquisition of a 90% equity interest in the Onera Joint Venture that owns an 11-unit glamping property for $5.2 million in cash, plus additional contingent consideration of $1.8 million paid in September 2023. The Onera Joint Venture has a 100% fee simple interest in a lodging property consisting of an 11-unit glamping property and a 6.4-acre parcel of land.

In May 2023, we completed the sale of four lodging properties for an aggregate gross selling price of $28.1 million. The sale included two Hyatt Place hotels in the Chicago area containing a total of 277 guestrooms, a Hilton Garden Inn in the Minneapolis area containing 97 guestrooms, and a Holiday Inn Express & Suites in the Minneapolis area containing 93 guestrooms. These lodging properties were classified as Assets Held for Sale at December 31, 2022 and their carrying values during the year then ended were reduced by $2.9 million to bring the carrying value of the properties to their net selling price less estimated costs to sell.

In June 2023, the GIC Joint Venture acquired the Residence Inn by Marriott located in Scottsdale, AZ containing 120 guestrooms for a purchase price of approximately $29.0 million and the Nordic Lodge located in Steamboat Springs, CO containing 47 guestrooms for a purchase price of approximately $13.7 million.

In December 2023, we completed the sale of the 123-guestroom Hyatt Place in Baltimore (Owings Mills), MD for a gross selling price of $8.3 million. The net selling price less costs to sell approximated the net book value of the hotel property on the sale date resulting in a nominal gain that was recorded in the fourth quarter of 2023.

During the fourth quarter of 2023, the GIC Joint Venture entered into a purchase and sale agreement with a third-party to sell the 127-guestroom Hyatt Place Dallas (Plano), TX for $10.3 million. We reclassified the property in Assets Held for sale, net at December 31, 2023 and recorded a write-down of $4.0 million in the fourth quarter of 2023 for the excess of the net carrying amount of the portfolio of properties over the net selling price less estimated costs to sell. We completed the sale of the property on February 15, 2024 under the terms described above.

During the first quarter of 2024, we entered into two separate purchase and sale agreements with two unrelated third-parties to sell one individual lodging property and a portfolio of two lodging properties with an aggregate 529-guestrooms for an aggregate selling price of $84.0 million. We reclassified all three of the properties to Assets Held for sale, net at December 31, 2023 and recorded a write-down of $1.4 million in the fourth quarter of 2023 for the excess of the net carrying amount of one of the lodging properties over its net selling price less estimated costs to sell. We expect to complete the transactions during the first half of 2024.

At December 31, 2023, we have a lodging property with 101-guestrooms being marketed for sale. We have reclassified the property to Assets Held for Sale, net at December 31, 2023 and recorded a write-down of $11.3 million in the fourth quarter of 2023 for the excess of the net carrying amount of the lodging property over its net selling price less estimated costs to sell.

During the first quarter of 2023, we entered into a purchase and sale agreement with a third-party to sell a 5.99-acre parcel of undeveloped land in San Antonio, TX for $1.3 million. We expect to complete the transaction during the first half of 2024.

See “Part II – Item 8. – *Financial Statements and Supplementary Data –Note 3 - Investments in Lodging Property, net*” to the Consolidated Financial Statements for additional information concerning our asset acquisitions, development, and dispositions.

Revenues and Operating Expenses

Our revenues are derived from lodging operations and consist of room revenue, food and beverage revenue and other revenue. As a result of our focus on lodging properties with efficient operating models, substantially all of our revenues are related to the sales of guestrooms. Our other revenue consists of ancillary revenues related to meeting rooms, parking and other guest services provided at certain of our properties.

Our property operating expenses consist primarily of expenses incurred in the day-to-day operation of our lodging properties. Many of our expenses are fixed, such as essential lodging property staff, real estate taxes, insurance, and depreciation. These expenses generally do not decrease even if the revenues at our lodging properties decrease. Room expense includes housekeeping and front office wages and payroll taxes, reservation systems, room supplies, laundry services and other costs. Food and beverage expense primarily includes the cost of food, the cost of beverages and associated labor costs. Other operating expenses include labor and other costs associated with administrative departments, sales and marketing, repair and maintenance, utility costs and franchise fees.

Results of Operations

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

Comparison of 2023 to 2022

The following table contains key operating metrics for our total portfolio and our same-store portfolio for the year ended December 31, 2023 compared with the year ended December 31, 2022 (dollars in thousands, except ADR and RevPAR). Our same-store portfolio consists of properties that we owned as of December 31, 2023 and that we have owned at all times since January 1, 2022, except as noted below.

	2023		2022		Year-over-Year Dollar Change		Year-over-Year Percentage Change	
	Total Portfolio (100 Properties)	Same-Store Portfolio (94 properties)	Total Portfolio (103 properties)	Same-Store Portfolio (94 properties)	Total Portfolio (100/103 properties)	Same-Store Portfolio (94 properties)	Total Portfolio (100/103 properties)	Same-Store Portfolio (94 properties)
Revenues:								
Room	$ 656,063	$ 622,546	$ 609,370	$ 583,782	$ 46,693	$ 38,764	7.7 %	6.6 %
Food and beverage	41,513	32,177	32,117	27,489	9,396	4,688	29.3 %	17.1 %
Other	38,551	35,567	34,208	32,880	4,343	2,687	12.7 %	8.2 %
Total	$ 736,127	$ 690,290	$ 675,695	$ 644,151	$ 60,432	$ 46,139	8.9 %	7.2 %
Expenses:								
Room	$ 148,005	$ 138,969	$ 136,999	$ 129,374	$ 11,006	$ 9,595	8.0 %	7.4 %
Food and beverage	31,580	25,162	24,897	21,754	6,683	3,408	26.8 %	15.7 %
Other hotel operating expenses	224,901	210,612	207,975	196,522	16,926	14,090	8.1 %	7.2 %
Total	$ 404,486	$ 374,743	$ 369,871	$ 347,650	$ 34,615	$ 27,093	9.4 %	7.8 %
Occupancy	72.0 %	72.3 %	69.7 %	70.0 %	n/a	n/a	3.3 %	3.3 %
ADR	$ 165.04	$ 165.09	$ 158.58	$ 159.94	$ 6.46	$ 5.15	4.1 %	3.2 %
RevPAR	$ 118.81	$ 119.33	$ 110.46	$ 111.90	$ 8.35	$ 7.43	7.6 %	6.6 %

The total portfolio information above includes revenues and expenses from the lodging properties that we acquired during the year ended December 31, 2023 (the "2023 Acquired Properties") from the date of acquisition through December 31, 2023, and operating information (occupancy, ADR, and RevPAR) for the period each lodging property was owned. Accordingly, the information does not reflect a full 12 months of operations for the year ended December 31, 2023 for the 2023 Acquired Properties. The total portfolio information above includes revenues and expenses from the lodging properties that we acquired during the year ended December 31, 2022 (the "2022 Acquired Properties") from the date of acquisition through December 31, 2022, and operating information (occupancy, ADR, and RevPAR) for the period each lodging property was owned. Accordingly, the information does not reflect a full 12 months of operations for the year ended December 31, 2022 for the 2022 Acquired Properties.

Operating results for the same-store portfolio of 94 properties for the year ended December 31, 2022 include the 26 hotel properties and two parking garages acquired in the first closing of the NCI Transaction on January 13, 2022 (the "First Closing Hotels") and exclude the acquisition of the Canopy New Orleans (the "Canopy"), which was acquired upon completion of construction in the second closing of the NCI Transaction on March 23, 2022. As such, the same-store operating results for the First Closing Hotels for the year ended December 31, 2022 include the operating results related to the prior owner for the period from January 1, 2022 through the first closing date of the NCI Transaction of January 13, 2022 (the "Pre-Ownership Results"). Operating results for the total portfolio of 100 properties for the year ended December 31, 2022 include actual operating results for the First Closing Hotels and the Canopy only from the closing dates of the NCI Transaction through December 31, 2022.

Changes from the year ended December 31, 2023 compared with the year ended December 31, 2022 were due to the following:

- *Revenues and RevPAR*. The increase in total revenues and RevPAR for our total portfolio for the year ended December 31, 2023 compared with the year ended December 31, 2022 was due to improving corporate and group demand and continued strength in leisure travel. We generated additional revenues during the year ended December 31, 2023 as a result of the acquisition of the Canopy New Orleans hotel in the second closing of the NCI Transaction at the end of March 2022 and the addition of the 2023 Acquired Properties and 2022 Acquired Properties to our portfolio. These revenue increases were partially offset by the disposition of properties during the years ended December 31, 2023 and 2022. Additionally, revenues for the year ended December 31, 2022 were negatively affected by the effect of the Omicron variant of COVID-19 in the first quarter of 2022. On a same store basis, the improvements in our business resulted in an increase of approximately 3.3% in occupancy and a 3.2% in ADR during the year ended December 31, 2023, which resulted in an 6.6% increase in same-store RevPAR. For the total portfolio, we experienced an increase of approximately 3.3% in occupancy and an increase of 4.1% in ADR during the year ended December 31, 2023. This resulted in an increase in RevPAR of 7.6% over the same period in the prior year.

- *Room Expenses*. The increase in room expenses for both our total and the same-store portfolio is highly correlated to the increase in room revenues driven by increasing occupancy across our portfolio. Additional factors contributing to higher room expenses include higher wage rates, training, and contract labor needed to meet room demand. We also incurred additional operating expenses during the year ended December 31, 2023 as a result of the acquisition of the Canopy upon completion of the second closing of the NCI Transaction at the end of March 2022, and the addition of the 2023 Acquired Properties and 2022 Acquired Properties to our portfolio. These operating expense increases were partially offset by the disposition of properties during the years ended December 31, 2023 and 2022.

- *Food and Beverage Revenues and Expenses*. Total portfolio and same-store food and beverage revenues increased during the year ended December 31, 2023 as a result of an expanded food and beverage offering and an increase in occupancy across our portfolio during the period. During the year ended December 31, 2022, we were still providing a limited food and beverage offering due to the effects of the Omicron variant of the COVID-19 virus. Additionally, we acquired the AC/Element Hotel in June 2022, which resulted in additional food and beverage revenues and related expenses during the year ended December 31, 2023.

  The increases in food and beverage expenses were generally consistent with the increases in food and beverage revenues as we have been able to increase food and beverage prices commensurate with the inflationary and other increases in food and beverage costs.

- *Other Hotel Operating Revenues and Expenses*. The increase in other lodging property operating revenues for the total portfolio and same-store resulted from miscellaneous revenues, such as cancellation fees and marketplace purchases, related to increased occupancy, an increase in parking and resort fees, and ancillary revenues driven by increased group demand. The increase in other lodging property operating expenses was attributable to increased marketing costs, labor costs, credit card commissions and other expenses resulting primarily from increased occupancy as compared with the same period of the prior year.

The following table includes other consolidated income and expenses for 2023 compared with 2022 (dollars in thousands):

	For the Twelve Months Ended December 31,			
	2023	2022	Dollar Change	Percentage Change
Property taxes, insurance and other	$ 55,167	$ 49,921	$ 5,246	10.5 %
Management fees	18,452	17,442	1,010	5.8 %
Depreciation and amortization	150,924	150,160	764	0.5 %
Corporate general and administrative	32,530	30,765	1,765	5.7 %
Transaction costs	13	749	(736)	nm[1]
Recoveries of credit losses	(1,230)	(1,100)	(130)	11.8 %
Loss on write-down of assets	16,661	10,420	6,241	59.9 %
Loss (gain) on disposal of assets, net	337	(20,315)	20,652	nm[1]
Interest expense	86,798	65,581	21,217	32.4 %
Interest income	1,688	1,544	144	9.3 %
Other (income) loss, net	(1,005)	(1,083)	78	(7.2)%
Income tax expense	2,798	3,611	(813)	(22.5)%

(1) Not meaningful

Changes from the year ended December 31, 2023 compared with the year ended December 31, 2022 were due to the following:

- *Property Taxes, Insurance and Other*. The increase in Property taxes, insurance and other is primarily due to an increase in franchise taxes and property and casualty insurance and the addition of the 2023 Acquired Properties and 2022 Acquired Properties to our portfolio, partially offset by a reduction in property tax expense due to the disposition of properties during the years ended December 31, 2023 and 2022, and successful appeal efforts to reduce property tax assessments.

- *Management Fees*. The increase in Management fees during the current period is primarily due to an increase in revenues for the year ended December 31, 2023 compared with the same period of the prior year and the addition of the 2023 Acquired Properties and 2022 Acquired Properties to our portfolio, partially offset by the disposition of properties during the years ended December 31, 2023 and 2022 and a re-negotiation of property management agreements with two of our property managers that resulted in reduced property management fees.

- *Depreciation and Amortization*. Depreciation and amortization remained consistent between the year ended December 31, 2023 and 2022, which is the net result of additional depreciation expense related to the acquisition of the Canopy Hotel in March 2022 and the addition of the 2023 Acquired Properties and 2022 Acquired Properties to our portfolio offset by a reduction in depreciation related to the disposition of the properties during the years ended December 31, 2023 and 2022, and the reclassification of six hotel properties to Assets Held for Sale on December 31, 2022, which suspended depreciation expense from January 2023 to May 2023.

- *Corporate General and Administrative*. The increase in Corporate general and administrative expenses is primarily due to an increase in compensation expenses related to higher corporate headcount during the year ended December 31, 2023 to support our investment strategies and initiatives and an increase in professional fees for the year ended December 31, 2023 compared with the year ended December 31, 2022.

- *Transaction Costs*. Transactions costs for the years ended December 31, 2023 and 2022 relate to certain one-time costs and other expenses incurred in pursuit of potential lodging property acquisitions that ultimately were not consummated. Transaction costs will vary from year to year based on the level of acquisition activities that we undertake and the outcomes of such activities. Transaction costs were negligible for the year ended December 31, 2023.

- *Recoveries of Credit Losses.* Recoveries of credit losses for the year ended December 31, 2023 related to the payment in full of our seller-financing loan that was fully reserved. Recoveries of credit losses for the year ended December 31, 2022 related to principal payments received related to our seller-financing loans. See "Part II – Item 8. – *Financial Statements and Supplementary Data – Note 4 – Investment in Real Estate Loans"* for further information.

- *Loss on Write-down of Assets.* During the year ended December 31, 2023, the Company recorded a Loss on write-down of assets of $16.7 million to reduce the carrying amounts of the Hyatt Place - Dallas (Plano), TX, and two additional lodging properties that are under contract to sell or being marketed for sale to their expected net selling prices less estimated costs to sell. During the year ended December 31, 2022, the Company recorded a Loss on write-down of assets of $2.9 million to reduce the carrying amounts of the Hilton Garden Inn - Eden Prairie, MN, Holiday Inn Express & Suites - Minnetonka, MN, and the Hyatt Place - Hoffman Estates, IL and the Hyatt Place - Lombard, IL to their net selling prices less estimated costs to sell. Additionally, during the year ended December 31, 2022, the Company recorded a Loss on write-down of assets of $7.2 million to reduce the carrying amounts of two lodging properties to their expected net selling prices less estimated costs to sell. The proposed sale of these two lodging properties was terminated during the year ended December 31, 2023

- *Loss (Gain) on Disposal of Assets.* The loss on disposal of assets, net for the year ended December 31, 2023 relates to the write-off of the remaining undepreciated book values of disposed assets as a result of renovation activities. The gain on disposal of assets, net for the year ended December 31, 2022 is due to the sale of the Hilton Garden Inn San Francisco Airport North in San Francisco, CA in May 2022 for a gross selling price of $75.0 million.

- *Interest Expense*. Interest expense increased during the year ended December 31, 2023 due to higher base rates on our floating rate debt that is not hedged in comparison with the year ended December 31, 2022, and the additional debt related to the Brickell Transaction which closed in June 2022.

- *Other Income, net*. The decrease in Other income, net for the year ended December 31, 2023 is due primarily to reduced debt transaction costs incurred during the year ended December 31, 2023 offset by a reduction in net tenant income.

- *Income Tax Expense*. We recorded a $2.8 million income tax expense during the year ended December 31, 2023, a decrease of $0.8 million from the $3.6 million income tax expense recorded during the year ended December 31, 2022. Our income tax expense relates to federal and state income taxes on the earnings of our TRS Lessees. The decrease in income tax expense relates to a decrease in the taxable income of our TRS Lessees.

For information about our key operating metrics and results of operations for the year ended December 31, 2022 compared with the year ended December 31, 2021, refer to "Part II – Item 7. – *Management's Discussion and Analysis of Financial Conditions and Results of Operations - Results of Operations*" of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Non-GAAP Financial Measures

We disclose certain “non-GAAP financial measures,” which are measures of our historical financial performance. Non-GAAP financial measures are financial measures not prescribed by GAAP. These measures are as follows: (i) Funds From Operations (“FFO”) and Adjusted Funds from Operations ("AFFO"), (ii) EBITDA, Earnings before Interest, Taxes, Depreciation and Amortization for Real Estate ("EBITDA*re*") and Adjusted EBITDA*re* (as described below). We caution investors that amounts presented in accordance with our definitions of non-GAAP financial measures 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. Our non-GAAP financial measures should be considered along with, but not as alternatives to, net income (loss) as a measure of our operating performance. Our non-GAAP financial measures 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 our non-GAAP financial measures 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 measure prescribed by GAAP such as net income (loss).

FFO and AFFO

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. AFFO represents FFO excluding amortization of deferred financing costs, franchise fees, equity-based compensation expense, transaction costs, debt transaction costs, premiums on redemption of preferred shares, losses from net casualties, non-cash interest income and non-cash income tax related adjustments to our deferred tax asset. Unless otherwise indicated, we present FFO and AFFO applicable to our common shares and common units. We present FFO and AFFO because we consider FFO and AFFO 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 and AFFO when reporting their results. FFO and AFFO are 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 and AFFO exclude depreciation and amortization related to real estate assets, gains and losses from real property dispositions and impairment losses on real estate assets, and certain transaction costs related to lodging property acquisition activities and debt, FFO and AFFO provide performance measures that, when compared year over year, reflect 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 depreciation and amortization expense on assets at our corporate offices, which is de minimus. 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 and AFFO 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 and AFFO for the years ended December 31, 2023, 2022 and 2021 (in thousands, except per common share/common unit amounts):

	2023	2022	2021
Net (loss) income	$ (28,116)	$ 1,217	$ (68,584)
Preferred dividends	(15,875)	(15,875)	(15,431)
Distributions to and accretion of redeemable non-controlling interests	(2,626)	(2,520)	—
Premium on redemption of preferred stock	—	—	(2,710)
Loss (income) related to non-controlling interests in consolidated joint ventures	14,824	(2,321)	2,896
Net loss applicable to common shares and common units	(31,793)	(19,499)	(83,829)
Real estate-related depreciation	146,187	145,492	105,462
Loss on write-down of assets	16,661	10,420	4,361
Loss (gain) on disposal of assets and other dispositions, net	385	(20,315)	(240)
Adjustments related to non-controlling interests in consolidated joint ventures	(34,662)	(20,845)	(8,454)
FFO applicable to common shares and common units	96,778	95,253	17,300
Recoveries of credit losses	(1,230)	(1,100)	(2,632)
Amortization of lease-related intangible assets	—	—	87
Amortization of deferred financing costs	5,910	5,708	4,353
Amortization of franchise fees	595	663	493
Amortization of intangible assets, net	3,642	3,643	—
Equity-based compensation [1]	7,742	8,446	10,681
Executive transition costs [2]	—	—	1,065
Transaction costs	13	749	3,849
Debt transaction costs	395	1,528	220
Premium on redemption of preferred stock	—	—	2,710
Non-cash interest income	(531)	(113)	(1,042)
Non-cash lease expense, net	481	505	521
Casualty losses, net	2,112	2,505	468
Decrease in deferred tax asset valuation allowance	84	—	—
Adjustments related to non-controlling interests in consolidated joint ventures	(3,612)	(3,400)	(1,291)
Special allocation related to sale of joint venture asset[3]	—	(417)	—
Non-cash state taxes and other, net	447	—	—
AFFO applicable to common shares and common units	$ 112,826	$ 113,970	$ 36,782
FFO per common share/common unit	$ 0.79	$ 0.79	$ 0.16
AFFO per common share/common unit [4]	$ 0.92	$ 0.94	$ 0.35
Weighted average diluted common shares/common units:			
FFO and AFFO [5][6]	122,355	121,163	105,455

(1) The total equity-based compensation expense for the years ended December 31, 2022 and 2021 includes $1.3 million and $2.9 million, respectively, of incremental expense related to the modification of certain restricted stock awards as a result of the departure of our Chief Operating Officer and Executive Chairman.

(2) Executive transition costs are cash payments due to our former Executive Chairman as a result of the non-renewal of his employment contract in December 2021.

(3) During the year ended December 31, 2022, we earned a $0.4 million promote related to the sale by the GIC Joint Venture of the sale of a 169-guestroom Hilton Garden Inn San Francisco Airport North in San Francisco, CA for a gross selling price of $75.0 million. The sale of this property resulted in a net gain of $20.5 million to the GIC Joint Venture. Our promote is earned when the internal rate of return to GIC related to capital transactions exceeds a specified investment hurdle rate. We have adjusted this amount from our calculation of AFFO because it relates to the gain on the sale of the property and not on-going operations.

(4) AFFO for the years ended December 31, 2023, 2022 and 2021 has not been adjusted for interest related to the Convertible Notes for purposes of calculating AFFO per common share/common unit because we intend to settle the principal portion of the Convertible Notes in cash and we did not include in the denominator of our calculation of AFFO per common share/common unit the potential dilutive effect of shares that would be issued if the principal portion of the Convertible Notes were converted into shares of our common stock.

(5) 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.

(6) The weighted average diluted common shares/common units used to calculate FFO and AFFO per common share/common unit for the years ended December 31, 2023, 2022 and 2021 includes the dilutive effect of our outstanding restricted stock awards. These shares were excluded from our weighted average shares outstanding used to calculate net loss per share because they would have been antidilutive. The weighted average common shares/common units used to calculate FFO and AFFO per common share/common unit for the year ended December 31, 2021 exclude the potential dilution related to our Convertible Notes as we intend to settle the principal value of the Convertible Notes in cash.

A reconciliation of weighted average diluted common shares to non-GAAP weighted average diluted common shares/common units for FFO and AFFO is as follows (in thousands):

	2023	2022	2021
Weighted average dilutive common shares outstanding	105,548	105,142	104,471
Dilutive effect of restricted stock awards	226	221	402
Dilutive effect of performance stock awards	—	7	—
Dilutive effect of Common Units of Operating Partnership	15,970	—	—
Dilutive effect of shares issuable upon conversion of convertible debt	24,678	24,193	23,256
Adjusted weighted average dilutive common shares outstanding	146,422	129,563	128,129
Non-GAAP adjustment for dilutive effects of common units	—	15,360	144
Non-GAAP adjustment for dilutive effects of restricted stock awards	611	433	438
Non-GAAP adjustment for dilutive effect of shares issuable upon conversion of convertible debt	(24,678)	(24,193)	(23,256)
Non-GAAP weighted dilutive common shares/common units outstanding	122,355	121,163	105,455

During the year ended December 31, 2023, AFFO applicable to common stock and Common Units decreased $1.1 million due to an increase in interest expense as a result of rising interest rates and disposition activity, partially offset by an improvement in our business. The improvement in our business was primarily driven by improving demand for corporate transient and group travel and continued strength in leisure travel coupled with increases in our operating results due to acquisitions, partially offset by disposition activity.

For information about our AFFO for the year ended December 31, 2022 compared with the year ended December 31, 2021, refer to "Part II – Item 7. – *Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Financial Measures*" of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

EBITDA, EBITDAre and Adjusted EBITDAre

EBITDA

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.

EBITDAre and Adjusted EBITDAre

In September 2017, Nareit proposed a standardized performance measure, called EBITDA*re*, which is based on EBITDA and is expected to provide additional relevant information about REITs as real estate companies in support of growing interest among generalist investors. The conclusion was reached that, while dedicated REIT investors have long been accustomed to utilizing the industry's supplemental measures such as FFO and net operating income to evaluate the investment quality of REITs as real estate companies, it would be helpful to generalist investors for REITs as real estate companies to also present EBITDA*re* as a more widely known and understood supplemental measure of performance. EBITDA*re* is intended to be a supplemental non-GAAP performance measure that is independent of a company's capital structure and will provide a uniform basis for one measurement of the enterprise value of a company compared to other REITs.

EBITDA*re*, as defined by Nareit, is calculated as EBITDA, excluding: (i) loss and gains on disposition of property and (ii) asset impairments, if any. We believe EBITDA*re* 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.

We make additional adjustments to EBITDA*re* when evaluating our performance because we believe that the exclusion of certain additional non-recurring or unusual items described below provides useful supplemental information to investors regarding our ongoing operating performance. We believe that the presentation of Adjusted EBITDA*re*, when combined with the primary GAAP presentation of net income, 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.

The following is a reconciliation of our GAAP net income to EBITDA*re* for the years ended December 31, 2023, 2022 and 2021 (in thousands):

	2023	2022	2021
Net (loss) income	$ (28,116)	$ 1,217	$ (68,584)
Depreciation and amortization	150,924	150,160	105,955
Interest expense	86,798	65,581	43,368
Interest income	(568)	(65)	(8)
Income tax expense	2,798	3,611	1,473
EBITDA	211,836	220,504	82,204
Loss on write-down of assets	16,661	10,420	4,361
Loss (gain) on disposal of assets and other dispositions, net	385	(20,315)	(240)
EBITDA*re*	228,882	210,609	86,325
Recoveries of credit losses	(1,230)	(1,100)	(2,632)
Amortization of lease-related intangible assets	—	—	87
Amortization of key money liabilities	(498)	(363)	—
Equity-based compensation[1]	7,742	8,446	10,681
Executive transition costs[2]	—	—	1,065
Transaction costs	13	749	3,849
Debt transaction costs	395	1,528	220
Non-cash interest income	(531)	(113)	(1,042)
Non-cash lease expense, net	481	505	521
Casualty losses, net	2,112	2,505	468
Loss (income) related to non-controlling interests in consolidated joint ventures	14,824	(2,321)	2,896
Adjustments related to non-controlling interests in consolidated joint ventures	(62,681)	(39,213)	(11,943)
Special allocation related to sale of joint venture asset[3]	—	(417)	—
Non-cash state taxes and other, net	455	—	—
Adjusted EBITDA*re*	$ 189,964	$ 180,815	$ 90,495

(1) The total equity-based compensation expense for the years ended December 31, 2022 and 2021 includes $1.3 million and $2.9 million of incremental expense related to the modification of certain restricted stock awards as a result of the departure of our Chief Operating Officer and Executive Chairman, respectively.

(2) Executive transition costs are cash payments to our former Executive Chairman as a result of the non-renewal of his employment contract in December 2021.

(3) During the year ended December 31, 2022, we earned a $0.4 million promote related to the sale by the GIC Joint Venture of the sale of a 169-guestroom Hilton Garden Inn San Francisco Airport North in San Francisco, CA for a gross selling price of $75.0 million. The sale of this property resulted in a net gain of $20.5 million to the GIC Joint Venture. Our promote is earned when the internal rate of return to GIC related to capital transactions exceeds a specified investment hurdle rate. We have adjusted this amount from our calculation of AFFO because it relates to the gain on the sale of the property and not on-going operations.

During the year ended December 31, 2023, Adjusted EBITDA*re* increased $9.1 million from the prior year due to an improvement in our business that was primarily driven by improving demand for corporate transient and group travel and continued strength in leisure travel coupled with increases in our operating results due to acquisitions, partially offset by disposition activity.

For information about our Adjusted EBITDA*re* for the year ended December 31, 2022 compared with the year ended December 31, 2021, refer to "Part II – Item 7. – *Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Financial Measures*" of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Liquidity and Capital Resources

Our short-term cash obligations consist primarily of operating expenses and other expenditures directly associated with our lodging properties, recurring maintenance and capital expenditures necessary to maintain our lodging properties in accordance with internal and brand standards, capital expenditures to improve our lodging properties, interest payments, settlement of any applicable interest rate swaps, scheduled principal payments on outstanding indebtedness, restricted cash funding obligations, our joint venture acquisitions and capital requirements, contractual lease payments, corporate overhead, and distributions to our stockholders and holders of Common and Preferred Units in our Operating Partnership when declared. Our corporate overhead primarily consists of employee compensation expenses, professional fees, corporate insurance and rent expenses. Cash requirements for our corporate overhead expenses (excluding non-cash stock-based compensation), which are generally paid from operating cash flows, were $24.8 million, $22.3 million and $21.8 million for the years ended December 31, 2023, 2022 and 2021, respectively. We generally expect our corporate overhead expenses to remain consistent with the level of our operating activities and market conditions for goods and services.

Our long-term cash obligations consist primarily of the costs of acquiring additional lodging properties, renovations and other non-recurring capital expenditures that periodically are made with respect to our lodging properties, dividends and distributions to our stockholders and holders of Common and Preferred Units in our Operating Partnership when declared, and scheduled debt payments, including maturing loans.

In May 2023, the Company completed the disposition of four wholly-owned hotels containing an aggregate of 467 guestrooms for a gross sales price of $28.1 million.

In June 2023, the GIC Joint Venture acquired the Residence Inn by Marriott located in Scottsdale, AZ containing 120 guestrooms for a purchase price of approximately $29.0 million. GIC made a capital contribution of $13.7 million, or 49% of the purchase price, to the GIC Joint Venture, and the Operating Partnership made a capital contribution of $14.3 million, or 51% of the purchase price, to the GIC Joint Venture to fund the purchase price. The Operating Partnership made its capital contribution to the GIC Joint Venture with available cash on hand and borrowings on the $400 Million Revolver.

In June 2023, the GIC Joint Venture acquired the Nordic Lodge containing 47 guestrooms located in Steamboat Springs, CO for a purchase price of approximately $13.7 million. GIC made a capital contribution of $6.7 million, or 49% of the purchase price, to the GIC Joint Venture and the Operating Partnership made a capital contribution of $7.0 million, or 51% of the purchase price, to the GIC Joint Venture to fund the purchase price. The Operating Partnership made its capital contribution to the GIC Joint Venture with available cash on hand and borrowings on the $400 Million Revolver.

In December 2023, we completed the sale of the 123-guestroom Hyatt Place in Owings Mills (Baltimore), MD for a gross selling price of $8.3 million. The net selling price less costs to sell approximated the net book value of the lodging property on the sale date resulting in a nominal gain that was recorded in the fourth quarter of 2023.

During the first quarter of 2022, we completed the NCI Transaction for an aggregate purchase price of $822.0 million paid in the form of 15,864,674 Common Units (deemed value of $10.0853 per unit), 2,000,000 Preferred Units of limited partnership of the Operating Partnership newly designated as 5.25% Series Z Cumulative Perpetual Preferred Units (Liquidation Preference $25 Per Unit) (the “Series Z Preferred Units”), cash draws totaling $410.0 million from a term loan entered into by subsidiaries of the GIC Joint Venture, the assumption by a subsidiary of the GIC Joint Venture of approximately $6.5 million in PACE loan debt, $5.9 million of cash contributed to escrow in the prior year by GIC, as a limited partner in the GIC Joint Venture, and approximately $185.2 million cash contributed by GIC at closing. GIC also contributed to the GIC Joint Venture an additional $18.5 million in cash for estimated pre-acquisition costs related to the NCI Transaction, a portion of which was distributed to the Operating Partnership as reimbursement for transaction costs paid by the Operating Partnership.

In May 2022, the GIC Joint Venture completed the sale of a 169-guestroom Hilton Garden Inn San Francisco Airport North in San Francisco, CA for a gross selling price of $75.0 million. The sale of this property resulted in a net gain of $20.5 million to the GIC Joint Venture.

Additionally, in June 2022, we exercised our purchase option to acquire a 90% equity interest in the AC/Element Hotel based on a gross hotel option exercise price of $89.0 million. The Brickell Joint Venture assumed $47.0 million of debt as part of the transaction.

In October 2022, the Company entered into the Onera Joint Venture with the acquisition of a 90% equity interest in the Onera Joint Venture for $5.2 million in cash, plus additional contingent consideration of $1.8 million paid in September 2023. The Onera Joint Venture has a 100% fee simple interest in real property and improvements located in Fredericksburg, Texas consisting of an 11-unit glamping property and a 6.4-acre parcel of land.

In July 2023, we entered into the 2023 Senior Credit Facility to recast our prior senior credit facility, including certain key financial covenants, and renewal of our full access to our $400 Million Revolver. The 2023 Senior Credit Facility provides for fully extended maturities in June 2028. See "Part II - Item 8. – *Financial Statements and Supplementary Data – Note 6 – Debt*," for additional information concerning our prior senior credit facility and subsequent amendments thereto.

In September 2023, the GIC Joint Venture entered into a recast of the GIC Joint Venture Credit Facility (the "GIC Joint Venture Credit Recast"). The GIC Joint Venture Credit Recast extends the maturity of the $125 Million Revolver and the $75 Million Term Loan to an initial maturity date of September 2027, which may be extended for a single 12-month period at the option of the GIC Joint Venture, subject to certain conditions. As such, the GIC Joint Venture Credit Recast has a fully extended maturity date of September 2028.

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 lodging property dispositions, our senior revolving credit and term loan facilities and other loans, we may need to raise additional capital to grow our business.

Outstanding Indebtedness

At December 31, 2023, we had no balance outstanding on our $400 Million Revolver, $200.0 million outstanding on our $200 Million Term Loan and $225.0 million outstanding on our 2018 Term Loan (as defined under "Part II - Item 8. - *Financial Statements and Supplementary Data - Note 6 – Debt*"). Each of the credit facilities is currently supported by the 52 lodging properties included in the credit facility borrowing base. We also had $287.5 million of Convertible Notes outstanding and $57.5 million of Secured Mortgage Indebtedness.

At December 31, 2023, the GIC Joint Venture had $200.0 million outstanding under our GIC Joint Venture Credit Facility, which included borrowings of a $75.0 million term loan and a $125.0 million revolving line of credit. The GIC Joint Venture Credit Facility is secured primarily by a first priority pledge of the equity interests in the subsidiaries that hold the 13 lodging property borrowing base assets, and the related TRS entities, which wholly own the TRS Lessees.

To complete the NCI Transaction, the GIC Joint Venture entered into the GIC Joint Venture Term Loan, which is secured by the 27 lodging properties and two parking garages acquired in the transaction and assumed a PACE loan totaling $6.5 million. The GIC Joint Venture Term Loan has an accordion feature which will permit an increase in the total commitments by up to $190.0 million, for aggregate potential borrowings of up to $600.0 million. The GIC Joint Venture Term Loan will mature in January 2026 and can be extended for a single 12-month period at the Company's option, subject to certain conditions. As such, the GIC Joint Venture Term Loan has a fully extended maturity date of January 2027. The GIC Joint Venture Term Loan is interest-only and provides for a floating interest rate equal to SOFR plus 2.86%. In February 2023, we entered into an amendment to the GIC Joint Venture Term Loan to amend certain definitions, revise the minimum borrowing base interest coverage ratio thresholds and make certain other changes. The outstanding balance of the PACE loan is $6.1 million at December 31, 2023.

Additionally, the GIC Joint Venture has a mortgage loan outstanding totaling $12.8 million at December 31, 2023 related to the acquisition of the Embassy Suites in Tucson, AZ in December 2021.

In June 2022, the Brickell Joint Venture, as borrower, and the Operating Partnership, as the non-recourse guarantor, entered into a $47.0 million mortgage loan and non-recourse guaranty with City National Bank of Florida to finance the dual-branded 264-guestroom AC/Element Hotel. The City National Bank Loan provides for an interest rate equal to one-month term SOFR plus 300 basis points. Payment terms include an interest-only period through June 30, 2024 and the loan will amortize on a 25-year schedule from July 1, 2024 through the maturity date of June 30, 2025. The City National Bank Loan is prepayable at any time without penalty.

In August 2022, we entered into agreements to fully defease three commercial mortgage-backed securities ("CMBS") mortgage loans totaling $54.9 million. In December 2022, we entered into an agreement to fully defease a fourth commercial mortgage-backed securities ("CMBS") mortgage loan totaling $32.3 million. To defease the CMBS mortgage loans, we were required to place into trust an amount sufficient to cover future principal and interest payments related to the loans. As a result, we are no longer obligated to make future interest payments of approximately $2.4 million between the defeasance dates and maturity dates. Finally, as part of the defeasances, $26.8 million of restricted cash reserves were returned to us.

At December 31, 2023, we have scheduled debt principal payments during the next 12 months totaling $16.9 million, when taking into consideration the refinancing of the Company's $225 Million Term Loan subsequent to year end.

Subsequent to year-end, the Company successfully completed a new $200 million senior unsecured term loan financing (the "2024 Term Loan") that refinanced and replaced the 2018 Term Loan. The 2024 Term Loan has an initial maturity date of February 2027 and can be extended for two 12-month periods at the Company’s option, subject to certain conditions, for a fully extended maturity date of February 2029.The 2024 Term Loan provides for interest rate pricing ranging from 135 basis points to 235 basis points over the applicable adjusted term SOFR or 35 basis points to 135 basis points over base rate, at the Company's option. Proceeds from the 2024 Term Loan financing and advances on our $400 Million Revolver were used to repay in full the Company’s $225 million 2018 Term Loan that was scheduled to mature in February 2025. In connection with the closing of the 2024 Term Loan, the collateral securing the Company’s 2023 Senior Credit Facility was released. As a result of the 2024 Term Loan financing, the Company has significantly reduced debt maturities until 2026 and has an average length to maturity of approximately 3.6 years. Other terms of the agreement are similar to the Company’s 2023 Senior Credit Facility.

Currently, we have the capacity to pay scheduled principal payments using cash on hand or draws under our $400 Million Revolver. 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 lodging properties, debt secured by equity pledges, and unsecured debt. We believe that we will have adequate liquidity to meet the 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.

At December 31, 2023, we and our GIC Joint Venture are in compliance with all of our loan agreements.

See "Part II – Item 8. – *Financial Statements and Supplementary Data – Note 6 – Debt*" for additional information concerning our loans, loan amendments and our financing arrangements.

A summary of our debt at December 31, 2023 is as follows (dollars in thousands):

Lender	Interest Rate	Amortization Period (Years)	Initial Maturity Date	Fully Extended Maturity Date	Number of Properties Encumbered 12/31/2023	Principal Amount Outstanding
2023 Senior Credit Facility						
Bank of America, NA						
$400 Million Revolver[1]	7.41% Variable	n/a	6/21/2027	6/21/2028	n/a	$ —
$200 Million Term Loan[1]	7.36% Variable	n/a	6/21/2026	6/21/2028	n/a	200,000
Total Senior Credit and Term Loan Facility						200,000
Term Loans						
KeyBank National Association Term Loan[1] [7]	7.21% Variable	n/a	2/14/2025	2/14/2025	n/a	225,000
Convertible Notes	1.50% Fixed	n/a	2/15/2026	2/15/2026	n/a	287,500
Secured Mortgage Indebtedness						
MetaBank[4]	4.44% Fixed	25	7/1/2027	7/1/2027	3	42,611
Bank of the Cascades (First Interstate Bank)[4]	7.33% Variable	25	12/19/2024	12/19/2024	1	7,425
Bank of the Cascades (First Interstate Bank)[4]	4.30% Fixed	25	12/19/2024	12/19/2024		7,425
Total Mortgage Loans					4	57,461
					4	769,961
Brickell Joint Venture Mortgage Loan						
City National Bank of Florida[5]	8.35% Variable	25	6/9/2025	6/9/2025	2	47,000
GIC Joint Venture Credit Facility and Term Loans						
Bank of America, N.A.						
$125 Million Revolver[2]	7.61% Variable	n/a	9/15/2027	9/15/2028	n/a	125,000
$75 Million Term Loan[2]	7.56% Variable	n/a	9/15/2027	9/15/2028	n/a	75,000
Bank of America, N.A.[3]	8.22% Variable	n/a	1/13/2026	1/13/2027	n/a	410,000
Wells Fargo[5]	4.99% Fixed	30	6/6/2028	6/6/2028	1	12,785
PACE loan[6]	6.10% Fixed	20	7/31/2040	7/31/2040	1	6,093
Total GIC Joint Venture Credit Facility and Term Loans					2	628,878
Total Joint Venture Debt					4	675,878
Total Debt					8	$ 1,445,839

(1) The 2023 Senior Credit Facility and Term Loans are supported by a borrowing base of 52 unencumbered hotel properties.
(2) The $125 Million Revolver and the $75 Term Loan are secured by pledges of the equity in the entities (and affiliated entities) that own 13 lodging properties.
(3) The $410 million term loan with Bank of America, N.A. is secured by pledges of the equity in the entities (and affiliated entities) that own 27 lodging properties.
(4) The Bank of Cascades mortgage loan is comprised of two promissory notes that are secured by the same collateral and cross-defaulted.
(5) These loans are subject to mortgage debt and secured by the same collateral.
(6) As part of the NCI Transaction, a subsidiary of the GIC Joint Venture assumed a PACE loan of approximately $6.5 million. The loan bears fixed interest at 6.10%, has an amortization period of 20 years, and matures on July 31, 2040. The PACE loan is secured by an assessment lien imposed by the County of Tarrant, Texas for the benefit of the lender.
(7) In February 2024, we successfully closed the 2024 Term Loan. Proceeds from the 2024 Term Loan financing and advances on our $400 Million Revolver were used to repay in full this $225 million term loan that was scheduled to mature in February 2025. The 2024 Term Loan provides for a fully extended maturity date of February 2029. See "Part II - Item 8. - *Financial Statement and Supplementary Information - Note 6 - Debt.*"

Capital Expenditures

During the year ended December 31, 2023, we funded $89.6 million of capital expenditures on a consolidated basis. When taking into consideration only our pro rata portion related to our joint ventures, capital expenditures for the year ended December 31, 2023 was $73.4 million.

We anticipate spending an estimated $65.0 million to $85.0 million in capital expenditures across our portfolio (excluding the pro rata portion related to our joint venture partners) during the year ended December 31, 2024. We expect to fund these expenditures through a combination of cash on hand, working capital, cash flows from operations, restricted cash, borrowings under our $400 Million Revolver, or other potential sources of capital, to the extent available to us.

Cash Flow Analysis

The following table summarizes changes in cash flows for the years ended December 31, 2023 and December 31, 2022 (in thousands):

	For the Years Ended December 31,		
	2023	2022	Change
Net cash provided by operating activities	$ 153,641	$ 169,615	$ (15,974)
Net cash used in investing activities	(101,958)	(290,513)	188,555
Net cash (used in) provided by financing activities	(65,723)	85,762	(151,485)
Net change in cash, cash equivalents and restricted cash	$ (14,040)	$ (35,136)	$ 21,096

Changes from the year ended December 31, 2023 compared to the year ended December 31, 2022 were due to the following:

- ***Net cash provided by operating activities.*** Cash provided by operating activities for the year ended December 31, 2023 was the result of net income of $153.0 million, after adjusting for non-cash items such as depreciation and amortization and equity-based compensation, and a change in working capital of $0.7 million. Cash provided by operating activities for the year ended December 31, 2022 was the result of net income of $156.1 million, after adjusting for non-cash items such as depreciation and amortization and equity-based compensation, and a change in working capital of $13.5 million.

- ***Net cash used in investing activities.*** The decrease in cash used in investing activities for the year ended December 31, 2023 was primarily due to the net effect of property acquisitions and dispositions and capital expenditures related to lodging property renovations during each period. We closed the NCI Transaction in the first quarter of 2022 and the sale of the Hilton Garden Inn San Francisco Airport North in May 2022. Cash used in investing activities during the year ended December 31, 2023 primarily related to renovation capital during the period, the funding of the Onera Mezzanine Loan (see *"Part II - Item 8. - Financial Statements and Supplementary Data - Note 3 - Investments in Lodging Property, net"*), and the acquisitions during the year ended December 31, 2023 of the Residence Inn by Marriott in Scottsdale, AZ and the Nordic Lodge in Steamboat, CO, partially offset by the sale of a portfolio of four lodging properties in May 2023 and the sale of Hyatt Place in Baltimore (Owings Mills), MD in December 2023.

- ***Net cash (used in) provided by financing activities.*** Cash used in financing activities for the year ended December 31, 2023 was primarily related to the net decrease in debt principal payments of $17.3 million, the payment of dividends and distributions of approximately $45.8 million and financing costs of approximately $10.3 million related to the closing of our 2023 Senior Credit Facility and the recast of our $200 Million GIC Joint Venture Credit Facility, partially offset by contributions by our GIC Joint Venture partner of $20.4 million.

  Cash provided by financing activities during the year ended December 31, 2022 was primarily the result of contributions from our joint venture partners of $204.1 million for the NCI Transaction and the Brickell Transaction, borrowings of $410.0 million under the GIC Joint Venture Term Loan for the NCI Transaction, offset by debt repayments, including the repayment of $328.7 million of debt assumed as part of the NCI Transaction, the repayment of a $62.0 million term loan in May 2022, debt defeasances of $87.3 million and distributions to our joint venture partner of $80.4 million during the year ended December 31, 2022.

For information about our consolidated cash flows for the year ended December 31, 2022 compared with the year ended December 31, 2021, refer to "Part II – Item 7. – *Management's Discussion and Analysis of Financial Conditions and Results of Operations – Cash Flow Analysis*" of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Critical Accounting Estimates

We consider the following policies critical because they require estimates about matters that are inherently uncertain, involve various assumptions and require significant management judgment, and because they are important for understanding and evaluating our reported consolidated financial results. These judgments affect the reported amounts of assets and liabilities and our disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Applying different estimates or assumptions may result in materially different amounts reported in our financial statements.

Asset Impairment

Each quarter, we evaluate the net carrying amounts of our long-term assets for impairment when impairment indicators are present. We evaluate for impairment triggers based on qualitative factors such as macroeconomic trends, trends related to demand for travel and lodging, and current and projected trends related to local market conditions. We also evaluate for impairment triggers based on quantitative factors such as historical and projected revenue and profitability performance trends. When an impairment indicator is identified, we perform a recoverability analysis based on estimated future undiscounted cash flows for the asset. Forecasted undiscounted cash flows require substantial management judgment related to estimates of future revenues, which is based on historical results, our expectations related to revenue trends and future performance of the asset, our assessment of current and future market conditions and competition, our expectations related to performance of the overall economy, and third-party industry published forecasts. If we determine that an asset impairment exists, we will estimate the fair value of the asset and record a loss on impairment to record the asset at the lower of cost or fair value.

Purchase Price Allocation

Our acquisitions generally consist of land, land improvements, buildings, building improvements, furniture, fixtures and equipment, inventory, and assumed debt. We allocate the purchase price among the assets acquired and the liabilities assumed based on their respective fair values at the date of acquisition. We estimate the fair values of the assets acquired and the liabilities assumed by using a combination of the market, cost and income approaches. We determine the fair value by using market data and independent appraisals available to us and by making numerous estimates and assumptions, such as estimates of future income growth, replacement cost per unit, value per acre or buildable square foot, capitalization rates, discount rates, borrowing rates, market rental rates, capital expenditures and cash flow projections at the respective hotel properties. The determination of fair value is subjective and is based in part on assumptions and estimates that could differ materially from actual results in future periods.

Critical Accounting Policies and New Accounting Standards

See "Part II – Item 8. – *Financial Statements and Supplementary Data – Note 2 – Basis of Presentation and Significant Accounting Policies*."

Recent Developments

None

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 affect 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 SOFR. We primarily use derivative financial instruments to manage interest rate risk.

At December 31, 2023 and 2022, we were party to six interest rate derivative agreements pursuant to which we receive variable-rate payments in exchange for making fixed-rate payments (dollars in thousands):

				Notional Amount	
Contract date	Effective Date	Expiration Date	Average Annual Effective Fixed Rate	December 31, 2023	December 31, 2022
Operating Partnership					
October 2, 2017	January 29, 2018	January 31, 2023	1.96%	$ —	$ 100,000
October 2, 2017	January 29, 2018	January 31, 2023	1.98%	—	100,000
June 11, 2018	September 28, 2018	September 30, 2024	2.86%	75,000	75,000
June 11, 2018	December 31, 2018	December 31, 2025	2.92%	125,000	125,000
July 26, 2022	January 31, 2023	January 31, 2027	2.60%	100,000	100,000
July 26, 2022	January 31, 2023	January 31, 2029	2.56%	100,000	100,000
Total Operating Partnership				400,000	600,000
GIC Joint Venture					
March 24, 2023	July 1, 2023	January 13, 2026	3.35%	100,000	—
March 24, 2023	July 1, 2023	January 13, 2026	3.35%	100,000	—
Total GIC Joint Venture				200,000	—
				$ 600,000	$ 600,000

At December 31, 2023, after giving effect to our interest rate derivative agreements in effect as of that date, $956.4 million, or 66%, of our debt had fixed interest rates and $489.4 million, or 34%, had variable interest rates. At December 31, 2023, debt related to our wholly-owned properties coupled with our pro rata share of joint venture debt results in a fixed-rate debt ratio of approximately 75% of our total pro rata indebtedness when including the effect of interest rate swaps effective as of that date.

At December 31, 2022, after giving effect to our interest rate derivative agreements, $758.4 million, or 51.8%, of our debt had fixed interest rates and $704.7 million, or 48.2%, had variable interest rates. At December 31, 2022, debt related to our wholly-owned properties coupled with our pro rata share of joint venture debt results in a fixed-rate debt ratio of approximately 65% of our total pro rata indebtedness when including the effect of interest rate swaps effective as of that date.

As our fixed-rate debts mature, they will become subject to interest rate risk. We currently have scheduled payments of principal on debt during the year ended December 31, 2024 totaling approximately $16.9 million.

In January 2024, subsidiaries of the GIC Joint Venture that are borrowers under the GIC Joint Venture Term Loan entered into a $100.0 million interest rate swap to fix one-month term SOFR until January 2026. The interest rate swap has an effective date of October 1, 2024 and a termination date of January 13, 2026. Pursuant to the interest rate swap, we will pay a fixed rate of 3.765% and receive the one-month term SOFR floating rate index.

Item 8. Financial Statements and Supplementary Data.

The consolidated financial statements and supplementary data required by this item are included on pages F-1 through F-55 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, 2023. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of December 31, 2023, 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, 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 consolidated 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; 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, 2023, 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, 2023.

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, 2023. This report is included in "Part II – Item 8. – *Financial Statements and Supplementary Data"* 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, 2023.

Item 9B. Other Information.

During the year ended December 31, 2023, there were no adoptions, modifications, or terminations by directors or officers of Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements, each as defined in Item 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

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 "2024 Proxy Statement") for the 2024 Annual Meeting of Stockholders.

Item 11. Executive Compensation.

The information required by this item is incorporated by reference to our 2024 Proxy Statement.

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

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of December 31, 2023 with respect to our securities that may be issued under existing equity compensation plans:

Plan Category	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Compensation Plans Approved by Summit Hotel Properties, Inc. Stockholders [(1)]	2,002,788
Total	2,002,788

(1) As described in the Summit Hotel Properties, Inc. 2011 Equity Incentive Plan (See "Part II – Item 8. – *Financial Statements and Supplementary Data – Note 13 - Equity-based Compensation*").

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, 2023:

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
March 1, 2023 - March 31, 2023	168,083	$ 7.63	—	—
May 1, 2023 - May 31, 2023	12,547	$ 6.84	—	—
June 1, 2023 - June 30, 2023	150	$ 6.96	—	—
August 1, 2023 - August 31, 2023	3,249	$ 5.80	—	—
Total	184,029		—	

The other information required by this item is incorporated by reference to our 2024 Proxy Statement.

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

The information required by this item is incorporated by reference to our 2024 Proxy Statement.

Item 14. Principal Accountant Fees and Services.

The information required by this item regarding our principal accountant, Ernst & Young LLP (PCAOB ID No. 42), is incorporated by reference to our 2024 Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

1. Financial Statements:

   Included herein at pages F-1 through F-50

2. Financial Statement Schedules:

   The following financial statement schedule is included herein at pages F-51 through F-55.

   Schedule III — Real Estate and Accumulated Depreciation

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 consolidated financial statement.

3. Exhibits:

   The following exhibits are filed as part of this report:

EXHIBITS

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 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).
3.6	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).
3.7	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).
3.8	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).
3.9	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 reference to Exhibit 3.7 to Registration Statement on Form 8-A filled by Summit Hotel Properties, Inc. on November 8, 2017).
3.10	Articles Supplementary to the Articles of Amendment and Restatement of Summit Hotel Properties, Inc. designating the Company's 5.875% Series F Cumulative Redeemable Preferred Stock, $0.01 par value per share (incorporated by reference to Exhibit 3.10 to Registration Statement on Form 8-A filed by Summit Hotel Properties, Inc. on August 11, 2021).
3.11†	Maryland State Department of Assessments and Taxation Articles Supplementary.
3.12	Second 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).
3.13	First Amendment to the Second Amended and Restated Bylaws of Summit Hotel Properties, Inc. (incorporated by reference to Exhibit 3.2 of the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on August 26, 2019).
3.14	Third Amended and Restated Bylaws of the Company, effective October 20, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-Kfiled by the Company on October 25, 2023).
3.15	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).
3.16	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).
3.17	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).
3.18	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).
3.19	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).
3.20	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).

3.21	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).
3.22	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).
3.23	Eighth Amendment to the First Amended and Restated Agreement of Limited Partnership of Summit Hotel OP, LP. (incorporated by reference to Exhibit 3.19 of the Annual Report filed by Summit Hotel Properties, Inc. on February 21, 2018).
3.24	Ninth 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 August 11, 2021).
3.25	Tenth 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 January 14, 2022).
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).
4.2†	Description of the registrant's securities.
4.3	Indenture, dated January 12, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 12, 2021).
4.4	First Supplemental Indenture, dated January 12, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 12, 2021).
4.5	Form of 1.50% Convertible Senior Notes Due 2026 of the Company (attached as Exhibit A to the First Supplemental Indenture) (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 12, 2021).
10.1	$600,000,000 Amended and Restated Credit Agreement, dated as of June 21, 2023, 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, Bank of America, N.A., as Administrative Agent, Wells Fargo Bank, N.A., JPMorgan Chase Bank, N.A., Regions Bank, and U.S. Bank National Association, as Co-Syndication Agents, with Bank of Nova Scotia, Capital One, National Association, and Truist Bank, as Co-Documentation Agents, with BofA Securities, Inc., Wells Fargo Securities LLC, JPMorgan Chase Bank, N.A., Regions Capital Markets, U.S. Bank National Association, Bank of Nova Scotia, Capital One, National Association, and Truist Securities, Inc., as Joint Lead Arrangers, and with BofA Securities, Inc., Wells Fargo Securities LLC, JPMorgan Chase Bank, N.A., Regions Capital Markets, and U.S. Bank National Association, 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 June 27, 2023).
10.2	First Amendment to Credit Agreement dated May 7, 2020 among Summit Hotel OP, LP, as borrower, Summit Hotel Properties, Inc., as parent guarantor, each party executing the credit facility documentation as a subsidiary guarantor, Deutsche Bank AG New York Branch, as administrative agent, and the lenders party to the Credit Agreement (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 12, 2020).
10.3	Second Amendment to Credit Agreement dated May 7, 2020 among Summit Hotel OP, LP, as borrower, Summit Hotel Properties, Inc., as parent guarantor, each party executing the credit facility documentation as a subsidiary guarantor, KeyBank National Association, as administrative agent, and the lenders party to the Credit Agreement (incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 12, 2020).
10.4	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 therein, 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. (incorporated by reference to Exhibit 10.9 of the Annual Report filed by Summit Hotel Properties, Inc. on February 21, 2018).
10.5	Third Amendment to the First Amended and Restated Credit Agreement dated May 7, 2020 among Summit Hotel OP, LP, as borrower, Summit Hotel Properties, Inc., as parent guarantor, each party executing the credit facility documentation as a subsidiary guarantor, KeyBank National Association, as administrative agent, and the lenders party to the Credit Agreement (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on May 12, 2020).

10.6	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).
10.7	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).
10.8	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).
10.9*	Summit Hotel Properties, Inc. 2011 Equity Incentive Plan, as amended and restated effective May 13, 2021 (incorporated by reference to Appendix A to the Definitive Proxy Statement on Schedule 14A filed by Summit Hotel Properties, Inc. on March 26, 2021).
10.10*	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).
10.11*	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).
10.12*	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).
10.13*	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).
10.14*	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).
10.15*	Employment Agreement, dated December 17, 2020, between Summit Hotel Properties, Inc. and William Conkling (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on April 28, 2021).
10.16*	First Amendment to Stock Award Agreement (Performance Shares), dated December 31, 2021, between Summit Hotel Properties, Inc. and Daniel P. Hansen (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 5, 2022).
10.17*	Amendment to Stock Award Agreement (Performance Shares), dated December 31, 2021, between Summit Hotel Properties, Inc. and Daniel P. Hansen (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 5, 2022).
10.18*	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).
10.19	$200 Million Credit Agreement dated October 8, 2019 among Summit JV MR 1, LLC, as borrower, Summit Hospitality JV, LP, as parent, each party executing the credit facility documentation as a subsidiary guarantor, Bank of America N.A., as administrative agent and sole initial lender, and BofA Securities, Inc., as sole lead arranger and sole bookrunner (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on October 15, 2019).
10.20	Second Amendment to Credit Agreement dated June 18, 2020 among Summit JV MR 1, LLC, as borrower, Summit Hospitality JV, LP, as parent guarantor, each party executing the credit facility documentation as a subsidiary guarantor, Bank of America, N.A., as administrative agent, and the lenders party to the Credit Agreement (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on June 24, 2020).
10.21	$200 Million Credit Agreement dated September 15, 2023, among Summit JV MR 1, LLC, as borrower, Summit Hospitality JV, LP, as parent, each subsidiary of the borrower executing the credit facility documentation as a guarantor, the Initial Lenders, Bank of America, N.A., as administrative agent, and BofA Securities, Inc., as sole lead arranger and sole bookrunner (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on September 21, 2023).
10.22	Fifth Amendment to Credit Agreement dated February 5, 2021 among Summit Hotel OP, LP, as borrower, Summit Hotel Properties, Inc., as parent guarantor, each party executing the credit facility documentation as a subsidiary guarantor, KeyBank National Association, as administrative agent, and the lenders party to the Credit Agreement (incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 8, 2021).

10.23	Sixth Amendment to the First Amended and Restated Credit Agreement dated February 5, 2021 among Summit Hotel OP, LP, as borrower, Summit Hotel Properties, Inc., as parent guarantor, each party executing the credit facility documentation as a subsidiary guarantor, KeyBank National Association, as administrative agent, and the lenders party to the Credit Agreement (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 8, 2021).
10.24	Third Amendment to Credit Agreement dated April 29, 2021 among Summit JV MR 1, LLC, as borrower, Summit Hospitality JV, LP, as parent guarantor, each party executing the credit facility documentation as a subsidiary guarantor, Bank of America, N.A., as administrative agent, and the lenders party to the Credit Agreement (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed by Summit Hotel Properties, Inc. on May 4, 2021).
10.25	Registration Rights Agreement dated January 13, 2022 among Summit Hotel Properties, Inc. and Bright Force Investment, LLC, Sagestar Family, LLC and C&D Family Holdings, LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 14, 2022).
10.26	Director Nomination Agreement dated January 13, 2022 among Summit Hotel Properties, Inc. and Bright Force Investment, LLC, Sagestar Family, LLC and C&D Family Holdings, LLC (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 14, 2022).
10.27	Tax Protection Agreement dated January 13, 2022 among Summit Hotel OP, LP and NewcrestImage Holdings, LLC, Sagestar Family, LLC and C&D Family Holding, LLC, LLC, (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 14, 2022).
10.28	$410 Million Credit Agreement, dated January 13, 2022, among Summit JV MR 2, LLC, Summit JV MR 3, LLC and Summit NCI NOLA BR 184, LLC as borrowers, Summit Hospitality JV, LP, as parent, each party executing the credit facility documentation as a guarantor, Bank of America, N.A., as administrative agent and initial lender, Wells Fargo Bank, National Association as syndication agent and initial lender, BofA Securities, Inc., as joint lead arranger and joint bookrunner and Wells Fargo Securities, LLC as joint lead arranger and joint bookrunner (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on January 14, 2022).
10.29	Third Amendment to Credit Agreement dated April 29, 2021 among Summit JV MR 1, LLC, as borrower, Summit Hospitality JV, LP, as parent guarantor, each party executing the credit facility documentation as a subsidiary guarantor, Bank of America, N.A., as administrative agent, and a syndicate of lenders including Bank of America, N.A., KeyBank National Association and Bank of Montreal, Chicago Branch.
10.30	Fifth Amendment to Credit Agreement dated July 21, 2022 among Summit Hotel OP, LP, as borrower, Summit Hotel Properties, Inc., as parent guarantor, each party executing the credit facility documentation as a subsidiary guarantor, Bank of America, N.A., as administrative agent, and the lenders party to the Credit Agreement.
10.31	Eighth Amendment to the First Amended and Restated Credit Agreement dated July 21, 2022 among Summit Hotel OP, LP, as borrower, Summit Hotel Properties, Inc., as parent guarantor, each party executing the credit facility documentation as a subsidiary guarantor, KeyBank National Association, as administrative agent, and the lenders party to the Credit Agreement.
10.32	Amended and Restated Credit Agreement dated June 21, 2023 among Summit Hotel OP, LP, as borrower, Summit Hotel Properties, Inc., as parent guarantor, each party executing the credit facility documentation as a subsidiary guarantor, Bank of America, N.A., as administrative agent, and the lenders party to the Amended and Restated Credit Agreement.
10.33	$200 Million Credit Agreement dated September 15, 2023 among Summit JV MR 1, LLC, as borrower, Summit Hospitality JV, LP, as parent, each subsidiary of the borrower executing the credit facility documentation as a guarantor, various initial lenders, Bank of America, N.A., as administrative agent, and BofA Securities, Inc., as sole lead arranger and sole bookrunner.
10.34†	$200 Million Credit Agreement dated February 26, 2024 among Summit Hotel OP, LP as borrower, Summit Hotel Properties, Inc., as parent, each subsidiary of the borrower executing the credit facility documentation as a guarantor, various initial lenders, Regions Bank as administrative agent, and Regions Capital Markets and Capital One, National Association as joint bookrunners.
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
97.1†	Policy for Recovery of Erroneously Awarded Compensation
101.INS[(1)]	XBRL Instance Document
101.SCH[(1)]	XBRL Taxonomy Extension Schema Document
101.CAL[(1)]	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF[(1)]	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB[(1)]	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE[(1)]	XBRL Taxonomy Presentation Linkbase Document
104[(1)]	The cover page for Summit Hotel Properties, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2023 (formatted in Inline XBRL and contained in Exhibit 101).

* Management contract or compensatory plan or arrangement.
† Filed herewith
(1) Submitted electronically herewith

Item 16. Form 10-K Summary.

None.

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 28, 2024

By: /s/ Jonathan P. Stanner
Jonathan P. Stanner
President, Chief Executive Officer and Director

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/ Jeffrey W. Jones Jeffrey W. Jones	Chairman of the Board of Directors	February 28, 2024
/s/ Jonathan P. Stanner Jonathan P. Stanner	President, Chief Executive Officer and Director (principal executive officer)	February 28, 2024
/s/ William H. Conkling William H. Conkling	Executive Vice President and Chief Financial Officer (principal financial officer)	February 28, 2024
/s/ Paul Ruiz Paul Ruiz	Senior Vice President and Chief Accounting Officer (principal accounting officer)	February 28, 2024
/s/ Bjorn R. L. Hanson Bjorn R. L. Hanson	Director	February 28, 2024
/s/ Kenneth J. Kay Kenneth J. Kay	Director	February 28, 2024
/s/ Mehulkumar B. Patel Mehulkumar B. Patel	Director	February 28, 2024
/s/ Amina Belouizdad Porter Amina Belouizdad Porter	Director	February 28, 2024
/s/ Thomas W. Storey Thomas W. Storey	Director	February 28, 2024
/s/ Hope S. Taitz Hope S. Taitz	Director	February 28, 2024

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

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors 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, 2023 and 2022, the related consolidated statements of operations, comprehensive income (loss), changes in equity and redeemable non-controlling interests, and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, 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, 2023, 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 28, 2024 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.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Hotel Property Acquisitions

Description of the Matter	Investments in lodging property, net totaled $2.8 billion at December 31, 2023. As explained in Note 2 of the consolidated financial statements, the Company monitors events and changes in circumstances for indicators that the carrying value of a lodging property or undeveloped land may be impaired. When such indicators are identified, the Company prepares an estimate of undiscounted future cash flows of the specific property and determine if the carrying amount of the asset is recoverable. If carrying amount of the asset is not recoverable, the Company estimates the fair value of the property, and an adjustment is made to reduce the carrying value of the property to its estimated fair value. Auditing the Company's impairment assessment for its investments in lodging property was challenging because it involved a high degree of subjectivity in applying audit procedures and evaluating the factors the Company considered in its identification of impairment indicators.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's lodging property impairment evaluation process. For example, we tested controls over management's evaluation of the factors used in identifying potential impairment indicators. To test the Company's evaluation of the factors used in identifying potential impairment indicators, we performed procedures that included, among others, testing management's assessment of the lodging properties' performance relative to historical or anticipated operating results in addition to testing whether there were significant changes in the lodging properties' estimated holding periods. For example, we compared and assessed the lodging properties' historical operating results to the current market information using both internally and externally available information. We also made inquiries of management to confirm the lodging properties' holding periods in addition to inspecting other information such as the minutes to the Company's operational meetings and the meetings of the Board of Directors to either confirm or contradict management's responses.

/s/ Ernst & Young LLP

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

Austin, Texas

February 28, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and the 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, 2023, 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. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the 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, 2023 and 2022, the related consolidated statements of operations, comprehensive income (loss), changes in equity and redeemable non-controlling interests and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15 and our report dated February 28, 2024 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 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 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 28, 2024

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

	December 31,	
	2023	2022
ASSETS		
Investments in lodging property, net	$ 2,729,049	$ 2,841,856
Investment in hotel properties under development	1,451	—
Assets held for sale, net	73,740	29,166
Cash and cash equivalents	37,837	51,255
Restricted cash	9,931	10,553
Right-of-use assets, net	34,814	35,023
Trade receivables, net	21,348	21,015
Prepaid expenses and other	8,865	8,378
Deferred charges, net	6,659	7,074
Other assets	15,554	17,950
Total assets	$ 2,939,248	$ 3,022,270
LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY		
Liabilities:		
Debt, net of debt issuance costs	$ 1,430,668	$ 1,451,796
Lease liabilities, net	25,842	25,484
Accounts payable	4,827	5,517
Accrued expenses and other	81,215	81,304
Total liabilities	1,542,552	1,564,101
Commitments and contingencies (Note 12)		
Redeemable non-controlling interests	50,219	50,219
Equity:		
Preferred stock, $0.01 par value per share, 100,000,000 shares authorized:		
6.25% Series E - 6,400,000 shares issued and outstanding at December 31, 2023 and 2022 (aggregate liquidation preference of $160,861 at December 31, 2023 and 2022)	64	64
5.875% Series F - 4,000,000 shares issued and outstanding at December 31, 2023 and 2022 (aggregate liquidation preference of $100,506 at December 31, 2023 and 2022)	40	40
Common stock, $0.01 par value per share, 500,000,000 shares authorized, 107,593,373 and 106,901,576 shares issued and outstanding at December 31, 2023 and 2022 respectively	1,076	1,069
Additional paid-in capital	1,238,896	1,232,302
Accumulated other comprehensive income	10,967	14,538
Accumulated deficit and distributions in excess of retained earnings	(339,848)	(288,200)
Total stockholders' equity	911,195	959,813
Non-controlling interests	435,282	448,137
Total equity	1,346,477	1,407,950
Total liabilities, redeemable non-controlling interests and equity	$ 2,939,248	$ 3,022,270

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,		
	2023	**2022**	**2021**
Revenues:			
Room	$ 656,063	$ 609,370	$ 334,338
Food and beverage	41,513	32,117	7,299
Other	38,551	34,208	20,289
Total revenues	736,127	675,695	361,926
Expenses:			
Room	148,005	136,999	74,781
Food and beverage	31,580	24,897	4,856
Other lodging property operating expenses	224,901	207,975	123,626
Property taxes, insurance and other	55,167	49,921	41,350
Management fees	18,452	17,442	9,858
Depreciation and amortization	150,924	150,160	105,955
Corporate general and administrative	32,530	30,765	29,428
Transaction costs	13	749	3,849
Loss on write-down of assets	16,661	10,420	4,361
Recoveries of credit losses	(1,230)	(1,100)	(2,632)
Total expenses	677,003	628,228	395,432
(Loss) gain on disposal of assets, net	(337)	20,315	240
Operating income (loss)	58,787	67,782	(33,266)
Other income (expense):			
Interest expense	(86,798)	(65,581)	(43,368)
Interest income	1,688	1,544	6,855
Other income, net	1,005	1,083	2,668
Total other expense, net	(84,105)	(62,954)	(33,845)
(Loss) income from continuing operations before income taxes	(25,318)	4,828	(67,111)
Income tax expense (Note 15)	(2,798)	(3,611)	(1,473)
Net (loss) income	(28,116)	1,217	(68,584)
Less - Loss attributable to non-controlling interests	18,627	249	3,011
Net (loss) income attributable to Summit Hotel Properties, Inc. before preferred dividends and distributions	(9,489)	1,466	(65,573)
Less - Distributions to and accretion of redeemable non-controlling interests	(2,626)	(2,520)	—
Less - Preferred dividends	(15,875)	(15,875)	(15,431)
Premium on redemption of preferred stock	—	—	(2,710)
Net loss attributable to common stockholders	$ (27,990)	$ (16,929)	$ (83,714)
Loss per share:			
Basic and diluted	$ (0.27)	$ (0.16)	$ (0.80)
Weighted average common shares outstanding - basic and diluted	105,548	105,142	104,471
Dividends per common share	$ 0.22	$ 0.08	$ —

See Notes to Consolidated Financial Statements

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

	For the Years Ended December 31,		
	2023	**2022**	**2021**
Net (loss) income	$ (28,116)	$ 1,217	$ (68,584)
Other comprehensive income (loss), net of tax:			
Changes in fair value of derivative financial instruments	(2,884)	32,564	15,127
Comprehensive (loss) income	(31,000)	33,781	(53,457)
Comprehensive loss (income) attributable to non-controlling interests	17,940	(2,138)	2,990
Comprehensive (loss) income attributable to Summit Hotel Properties, Inc.	(13,060)	31,643	(50,467)
Distributions to and accretion on redeemable non-controlling interests	(2,626)	(2,520)	—
Preferred dividends and distributions	(15,875)	(15,875)	(15,431)
Premium on redemption of preferred stock	—	—	(2,710)
Comprehensive (loss) income attributable to common stockholders	$ (31,561)	$ 13,248	$ (68,608)

See Notes to Consolidated Financial Statements

Summit Hotel Properties, Inc.
Consolidated Statements of Changes in Equity and Redeemable Non-controlling Interests
For the Years Ended December 31, 2023, 2022 and 2021
(in thousands, except share amounts)

	Redeemable Non-controlling Interests	Shares of Preferred Stock	Preferred Stock	Shares of Common Stock	Common Stock	Additional Paid-In Capital	Accumulated Comprehensive Income /(Loss)	Accumulated Deficit and Distributions	Stockholders' Equity	Non-Controlling Interests	Total Equity
December 31, 2020	$ —	9,400,000	$ 94	105,708,787	$ 1,057	$ 1,197,320	$ (30,716)	$ (179,013)	$ 988,742	$ 63,321	$ 1,052,063
Net proceeds from sale of preferred stock	—	4,000,000	40	—	—	96,577	—	—	96,617	—	96,617
Redemption of preferred shares	—	(3,000,000)	(30)	—	—	(72,260)	—	(2,710)	(75,000)	—	(75,000)
Purchases of capped call options	—	—	—	—	—	(21,131)	—	—	(21,131)	—	(21,131)
Contributions by non-controlling interest in joint venture	—	—	—	—	—	16,444	—	—	16,444	99,102	115,546
Common stock redemption of common units	—	—	—	36,945	—	268	(29)	—	239	(239)	—
Common dividends and distributions	—	—	—	—	—	—	—	88	88	—	88
Preferred dividends and distributions	—	—	—	—	—	—	—	(15,431)	(15,431)	(90)	(15,521)
Equity-based compensation	—	—	—	859,460	9	10,657	—	—	10,666	15	10,681
Shares of common stock acquired for employee withholding requirements	—	—	—	(267,468)	(3)	(2,691)	—	—	(2,694)	—	(2,694)
Other comprehensive income	—	—	—	—	—	—	15,106	—	15,106	21	15,127
Net loss	—	—	—	—	—	—	—	(65,573)	(65,573)	(3,011)	(68,584)
December 31, 2021	—	10,400,000	104	106,337,724	1,063	1,225,184	(15,639)	(262,639)	948,073	159,119	1,107,192
Redeemable non-controlling interests in operating partnership issued for the acquisition of a portfolio of lodging properties	50,000	—	—	—	—	—	—	—	—	—	—
Adjustment of redeemable non-controlling interests to redemption value	2,520	—	—	—	—	—	—	(2,520)	(2,520)	—	(2,520)
Non-controlling interests in operating partnership issued for the acquisition of a portfolio of lodging properties	—	—	—	—	—	—	—	—	—	157,513	157,513
Sale of non-controlling interests in joint venture	—	—	—	—	—	—	—	—	—	674	674
Contributions by non-controlling interest in joint venture	—	—	—	—	—	1,219	—	—	1,219	210,658	211,877
Common stock redemption of common units	—	—	—	12,664	1	126	—	—	127	(127)	—
Common dividends and distributions	—	—	—	—	—	—	—	(8,632)	(8,632)	(1,279)	(9,911)
Preferred dividends and distributions	(2,301)	—	—	—	—	—	—	(15,875)	(15,875)	(165)	(16,040)
Joint venture partner distributions	—	—	—	—	—	—	—	—	—	(80,353)	(80,353)
Equity-based compensation	—	—	—	811,988	8	8,438	—	—	8,446	—	8,446
Shares of common stock acquired for employee withholding requirements	—	—	—	(260,800)	(3)	(2,453)	—	—	(2,456)	—	(2,456)
Other	—	—	—	—	—	(212)	—	—	(212)	(41)	(253)
Other comprehensive income	—	—	—	—	—	—	30,177	—	30,177	2,387	32,564
Net income (loss)	—	—	—	—	—	—	—	1,466	1,466	(249)	1,217
December 31, 2022	50,219	10,400,000	$ 104	106,901,576	$ 1,069	$ 1,232,302	$ 14,538	$ (288,200)	$ 959,813	$ 448,137	$ 1,407,950

See Notes to Consolidated Financial Statements

Summit Hotel Properties, Inc.
Consolidated Statements of Changes in Equity and Redeemable Non-controlling Interests
For the Years Ended December 31, 2023, 2022 and 2021
(in thousands, except share amounts)

	Redeemable Non-controlling Interests	Shares of Preferred Stock	Preferred Stock	Shares of Common Stock	Common Stock	Additional Paid-In Capital	Accumulated Comprehensive Income /(Loss)	Accumulated Deficit and Distributions	Stockholders' Equity	Non-Controlling Interests	Total Equity
December 31, 2022	$ 50,219	10,400,000	$ 104	106,901,576	$ 1,069	$ 1,232,302	$ 14,538	$ (288,200)	$ 959,813	$ 448,137	$ 1,407,950
Adjustment of redeemable non-controlling interests to redemption value	2,626	—	—	—	—	—	—	(2,626)	(2,626)	—	(2,626)
Sale of non-controlling interests in joint venture	—	—	—	—	—	—	—	—	—	1,353	1,353
Redemption of preferring non-controlling interests	—	—	—	—	—	—	—	(37)	(37)	(375)	(412)
Contributions by non-controlling interest in joint venture	—	—	—	—	—	—	—	—	—	20,792	20,792
Common stock redemption of common units	—	—	—	28,179	—	272	—	—	272	(272)	—
Common dividends and distributions	—	—	—	—	—	—	—	(23,616)	(23,616)	(3,512)	(27,128)
Preferred dividends and distributions	(2,626)	—	—	—	—	—	—	(15,875)	(15,875)	(330)	(16,205)
Joint venture partner distributions	—	—	—	—	—	—	—	—	—	(12,426)	(12,426)
Equity-based compensation	—	—	—	847,647	8	7,734	—	—	7,742	—	7,742
Shares of common stock acquired for employee withholding requirements	—	—	—	(184,029)	(1)	(1,387)	—	—	(1,388)	—	(1,388)
Other	—	—	—	—	—	(25)	—	(5)	(30)	(145)	(175)
Other comprehensive income	—	—	—	—	—	—	(3,571)	—	(3,571)	687	(2,884)
Net loss	—	—	—	—	—	—	—	(9,489)	(9,489)	(18,627)	(28,116)
December 31, 2023	$ 50,219	10,400,000	$ 104	107,593,373	$ 1,076	$ 1,238,896	$ 10,967	$ (339,848)	$ 911,195	$ 435,282	$ 1,346,477

See Notes to Consolidated Financial Statements

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

	For the Years Ended December 31,		
	2023	**2022**	**2021**
OPERATING ACTIVITIES:			
Net (loss) income	$ (28,116)	$ 1,217	$ (68,584)
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:			
Depreciation and amortization	150,924	150,160	105,955
Amortization of debt issuance costs	5,910	5,708	4,353
Loss on write-down of assets	16,661	10,420	4,361
Recoveries of credit losses	(1,230)	(1,100)	(2,632)
Equity-based compensation	7,742	8,446	10,681
Deferred tax asset, net	84	(59)	(19)
(Gain) loss on disposal of assets, net	337	(20,315)	(240)
Non-cash interest income	(531)	(113)	(1,042)
Debt transaction costs	395	1,528	220
Other	793	232	412
Changes in operating assets and liabilities:			
Trade receivables, net	(334)	(7,257)	(2,701)
Prepaid expenses and other	(636)	1,845	(1,362)
Accounts payable	(380)	(438)	1,854
Accrued expenses and other	2,022	19,341	14,795
NET CASH PROVIDED BY OPERATING ACTIVITIES	153,641	169,615	66,051
INVESTING ACTIVITIES:			
Acquisitions of real estate property	(44,614)	(286,731)	(59,036)
Improvements to lodging properties	(89,580)	(76,469)	(20,356)
Investment in hotel properties under development	(826)	—	—
Proceeds from asset dispositions, net	35,176	73,758	—
Funding of real estate loans and related expenses	(4,576)	(2,167)	(10,045)
Proceeds from principal payments on real estate loans	1,462	1,096	25,800
Escrow deposits and deferred acquisition costs	1,000	—	(10,607)
NET CASH USED IN INVESTING ACTIVITIES	(101,958)	(290,513)	(74,244)
FINANCING ACTIVITIES:			
Proceeds from borrowings on revolving line of credit	75,000	531,500	516,767
Repayments of line of credit borrowings	(90,000)	(25,000)	(185,000)
Principal payments on debt	(2,284)	(506,898)	(351,932)
Proceeds from the sale of non-controlling interests	1,353	674	—
Proceeds from equity offerings, net of issuance costs	—	—	96,617
Redemption of preferred stock	(413)	—	(75,000)
Purchases of capped call options	—	—	(21,131)
Common dividends paid	(26,945)	(10,048)	—
Preferred dividends and distributions paid	(18,829)	(18,341)	(15,521)
Proceeds from contributions by non-controlling interests in joint venture	20,592	204,125	115,546
Distributions to joint venture partner	(12,426)	(80,353)	—
Financing fees, debt transactions costs and other issuance costs	(10,383)	(7,441)	(11,411)
Repurchase of common stock for tax withholding requirements	(1,388)	(2,456)	(2,694)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(65,723)	85,762	66,241
Net change in cash, cash equivalents and restricted cash	(14,040)	(35,136)	58,048
CASH, CASH EQUIVALENTS AND RESTRICTED CASH			
Beginning of period	61,808	96,944	38,896
End of period	$ 47,768	$ 61,808	$ 96,944
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH WITHIN THE CONSOLIDATED BALANCE SHEET TO THE AMOUNTS SHOWN IN THE STATEMENT OF CASH FLOWS ABOVE:			
Cash and cash equivalents	$ 37,837	$ 51,255	$ 64,485
Restricted cash	9,931	10,553	32,459
TOTAL CASH, CASH EQUIVALENTS AND RESTRICTED CASH	$ 47,768	$ 61,808	$ 96,944

See Notes to Consolidated Financial Statements

NOTE 1 — DESCRIPTION OF BUSINESS

General

Summit Hotel Properties, Inc. (the "Company") is a self-managed lodging property 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. Unless the context otherwise requires, "we," "us," and "our" refer to the Company and its consolidated subsidiaries.

We focus on owning lodging properties with efficient operating models that generate strong margins and investment returns. At December 31, 2023, our portfolio consisted of 100 lodging properties with a total of 14,912 guestrooms located in 24 states. At December 31, 2023, we own 100% of the outstanding equity interests in 56 of 100 of our lodging properties. We own a 51% controlling interest in 41 hotels through a joint venture with USFI G-Peak Pte. Ltd. ("GIC"), a private limited company incorporated in the Republic of Singapore (the "GIC Joint Venture"), and two 90% equity interests in separate joint ventures (the "Brickell Joint Venture" and the "Onera Joint Venture"). The Brickell Joint Venture owns two lodging properties, and the Onera Joint Venture owns one lodging property.

As of December 31, 2023, 86% of our guestrooms were located in the top 50 metropolitan statistical areas ("MSAs"), 90% were located within the top 100 MSAs and over 99% of our guestrooms operated under premium franchise brands owned by Marriott® International, Inc. ("Marriott"), Hilton® Worldwide ("Hilton"), Hyatt® Hotels Corporation ("Hyatt"), and InterContinental® Hotels Group ("IHG").

We have elected to be taxed as a real estate investment trust ("REIT") for federal income tax purposes. To qualify as a REIT, we cannot operate or manage our lodging properties. Accordingly, all of our lodging properties are leased to our taxable REIT subsidiaries ("TRS Lessees" or "TRSs").

NOTE 2 — BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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.

The accompanying Consolidated Financial Statements consolidate the accounts of all entities in which we have a controlling financial interest, as well as variable interest entities, if any, for which the Company is the primary beneficiary. All significant intercompany balances and transactions have been eliminated in the Consolidated Financial Statements.

We evaluate joint venture partnerships to determine if they should be consolidated based on whether the partners exercise joint control. For a joint venture where we exercise primary control and we also own a majority of the equity interests, we consolidate the joint venture partnership. We have consolidated the accounts of all of our joint ventures in our Consolidated Financial Statements.

Segment Disclosure

Accounting Standards Codification ("ASC") No. 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 operating segment for activities related to investing in real estate; thus, all required financial segment information is included in the Consolidated Financial Statements. An operating segment is defined as the component of an enterprise for which separate financial information is evaluated regularly by the chief operating decision maker in order to allocate resources and assess performance. Our investments in real estate are geographically diversified and the chief operating decision maker allocates resources and assesses performance based upon discrete financial information at the individual lodging property level. However, because each of our lodging properties have similar economic characteristics, facilities, and services, the lodging properties have been aggregated into a single operating segment.

Acquisitions of Lodging Property

We analyze the acquisition of a lodging property to determine if it qualifies as the purchase of a business or an asset acquisition. 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 and we would record the transaction as an asset acquisition, which includes the capitalization of acquisition costs. For an asset acquisition, we allocate the purchase price paid to the assets acquired and the liabilities assumed in the transaction based on their relative fair values. For a business combination, we would record the assets and liabilities acquired at their respective estimated fair values. When we acquire a lodging property, we use all available information to make these fair value determinations, including discounted cash flow analyses and market comparable data. In addition, we make significant estimates regarding replacement costs for the buildings and furniture, fixtures and equipment, including estimated useful lives and judgements related to certain market assumptions. We also engage independent valuation specialists to assist in the fair value determinations of the assets acquired and the liabilities assumed. The determination of fair value is subjective and is based on assumptions and estimates that could differ materially from actual results in future periods.

Investments in Lodging Property, net

The Company allocates the purchase price of acquired lodging properties based on the relative fair values 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 lodging business being acquired as part of the 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, do not produce or contribute to the production of income other than consideration for the use or occupancy of space, and are recorded as a component of the related real estate asset in our Consolidated Financial Statements. We allocate the purchase price of acquired lodging properties to land, building and furniture, fixtures and equipment based on independent third-party appraisals.

Our lodging properties and related assets are recorded at cost, less accumulated depreciation. We capitalize 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 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 lodging 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 lodging properties for development projects. We evaluate these arrangements to determine if we participate in residual profits of the lodging property through the loan provisions or other agreements. Where we conclude that these arrangements are more appropriately treated as an investment in the real property, we reflect the loan in Investments in lodging property, net in our Consolidated Balance Sheets.

We monitor events and changes in circumstances for indicators that the carrying value of a lodging property or undeveloped land 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 lodging properties and land parcels, iii) a significant increase in competition, iv) a significant adverse change in legal factors or regulations, v) changes in values of comparable land or lodging property sales, vi) significant negative industry or economic trends, and fair value less costs to sell of lodging properties held for sale relative to the contractual selling price. 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 the carrying amount of the asset is not recoverable, 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 net 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 lodging properties and our undeveloped land 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 also periodically receive unsolicited external inquiries that result in the sale of lodging properties.

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 estimated selling costs. We record a write-down on our Consolidated Statement of Operations when the carrying amounts of assets held for sale exceed their fair values less estimated 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 generally 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 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 both December 31, 2023 and 2022. Bad debt expense was $0.4 million, $0.3 million and $0.4 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Leases

In accordance with Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, we record the financial liability and right-of-use assets that are inherent to leasing an asset on our Consolidated Balance Sheets for all leases with a term of greater than 12 months regardless of their classification.

Several of our lodging properties lease retail or restaurant space to third-party tenants. The majority of our third-party tenants requested rent deferrals to ease the negative financial effects of the COVID-19 pandemic (the "Pandemic") on their businesses. We have primarily negotiated rent deferrals with these tenants that defer rent for a specified number of months and require repayment of the deferred rent over a negotiated period of time. We have adopted a policy that the deferrals are not a change in the provisions of the lease. As such, we are accounting for the concessions using the rights and obligations of the existing leases and recognize short-term lease receivables in the period that the cash payment is owed.

Notes Receivables

We selectively provide mezzanine financing to developers, where we also have the opportunity to acquire the lodging property at or after the completion of the development project, and we also may provide seller financing in connection with a lodging property disposition under limited circumstances. We classify notes receivable as held-to-maturity and carry the notes receivable at cost less the unamortized discount, if any. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial asset to present the net carrying value at the amount expected to be collected on the financial asset. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. We routinely evaluate our notes receivable and interest receivables for collectability. Probable losses on notes receivable are recognized in a valuation account that is deducted from the amortized cost basis of the notes receivable and recorded as Provision for credit losses in our Consolidated Statements of Operations. When we place notes receivable on non-accrual status, we suspend the recognition of interest income until cash interest payments are received. Generally, we return notes receivable to accrual status when all delinquent interest becomes current and collectability of interest is reasonably assured. We do not measure an allowance for credit losses for accrued interest receivable. Accrued interest receivable is written-off to bad debt expense when collection is not reasonably assured.

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 generally capitalized based on the debt transaction and 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 and third-party ownership of our consolidated joint ventures.

Redeemable Non-controlling Interests

Redeemable non-controlling interests represent redeemable preferred units issued by our Operating Partnership ("Redeemable Preferred Units") in connection with the NCI Transaction (see "*Note 3 - Investments in Lodging Property, net*" for additional information). The Redeemable Preferred Units are presented as temporary equity related to our Operating Partnership on our Consolidated Balance Sheets under the caption of "Redeemable Non-controlling Interests ("see "*Note 9 - Equity*" for further information). We record Redeemable non-controlling interests at fair value on the issuance date of the securities. When the carrying value (the acquisition date fair value adjusted for the non-controlling interest's share of net income (loss) and dividends) is less than the redemption value, we adjust the redeemable non-controlling interest to equal the redemption value with changes recognized as an adjustment to Accumulated deficit and distributions in excess of retained earnings. Any such adjustment, when necessary, is recorded as of the applicable Consolidated Balance Sheet date.

Revenue Recognition

Revenues from the operation of our lodging properties are recognized when guestrooms are occupied, services have been rendered or fees have been earned. Revenues are recorded net of any discounts and sales and other taxes collected from customers. Revenues consist of room sales, food and beverage sales, and other lodging property revenues and are presented on a disaggregated basis on our Consolidated Statements of Operations.

Room revenue is generated through short-term contracts with customers whereby customers agree to pay a daily rate for the right to occupy lodging rooms for one or more nights. Our performance obligations are fulfilled at the end of each night that the customers have the right to occupy the rooms. Room revenues are recognized daily at the contracted room rate in effect for each room night.

Food and beverage revenues are generated when customers purchase food and beverage at a lodging property's restaurant, bar or other facilities. Our performance obligations are fulfilled at the time that food and beverage is purchased and provided to our customers.

Other revenues such as for parking, cancellation fees, meeting space or telephone services are recognized at the point in time or over the time period that the associated good or service is provided. Ancillary services such as parking at certain lodging properties are provided by third parties and we assess whether we are the principal or agent in such arrangements. If we are determined to be the agent, revenue is recognized based upon the commission paid to us by the third-party for the services rendered to our customers. If we are determined to be the principal, revenues are recognized based upon the gross contract price of the service provided. Certain of our lodging properties have retail spaces, restaurants or other spaces that we lease to third parties. Lease revenues are recognized on a straight line basis over the respective lease terms and are included in Other income on our Consolidated Statements of Operations.

Cash received prior to customer arrival is recorded as an advance deposit 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 May 13, 2021 (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 time-based and performance-based stock awards using the grant date fair value of those equity awards. We have elected to account for forfeitures as they occur. 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 No. 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 forfeitures or modification of previously granted awards.

Restricted stock awards are generally granted by our board of directors (the "Board") on or about the same date annually based on the 10-day volume-weighted average price of our common stock. As such, no adjustment is required for material nonpublic information that may exist at the time of restricted stock grants.

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 interest rate swaps, caps and collars. 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. The change in the fair value of the hedging instruments is recorded in Other comprehensive income. Amounts 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.

We have adopted ASC No. 848, *Rate Reference Reform,* at December 31, 2022. Under ASC No. 848 we have elected to not reassess a previous accounting determination related to our derivative financial instruments. We have also made elections to not de-designate the hedging relationships with the change in critical terms. Finally, we made elections to not de-designate the hedging relationships due to changes in hedged instruments, hedged items or future forecasted hedged transactions.

Income Taxes

We have elected to be taxed as a REIT under sections 856 through 859 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, subject to certain adjustments and excluding any net capital gain. As a REIT, we generally will not be subject to federal income tax (other than taxes paid by our TRS Lessees 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 qualify for certain relief provisions.

Substantially all of our assets are held by, and all of our operations are conducted through, our Operating Partnership or our subsidiary REITs. 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 TRSs are 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 TRSs 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. Valuation allowances are provided if, based upon the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

We consider all available evidence, both positive and negative, to determine whether, based on the weight of that evidence, a valuation allowance for deferred tax assets is needed. At December 31, 2023, the Company continues to be in a three-year cumulative loss. As such, the realizability of our deferred tax assets at December 31, 2023 is not reasonably assured. Therefore, we have recorded a valuation allowance against substantially all of our deferred tax assets at December 31, 2023.

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.

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 on a recurring basis 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 have elected a measurement alternative for equity investments, such as our purchase option, that do not have readily determinable fair values. Under the alternative, our purchase option is measured at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer, if any.

Assets measured at fair value on a nonrecurring basis consist of lodging properties classified as Assets Held For Sale that are recorded at the lower of historical cost or fair value, which is the selling price less estimated costs to sell (Level 2).

Earnings Per Share

Basic earnings (loss) per share ("EPS") is computed by dividing net income (loss) available to common stockholders by the weighted-average number of common shares outstanding for the period. We apply the two-class method of computing earnings (loss) per share, which requires the calculation of separate earnings (loss) per share amounts for participating securities. 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. Any anti-dilutive securities are excluded from the basic per-share calculation. Diluted EPS is computed by dividing net income (loss) available to common stockholders, as adjusted for dilutive securities, by the weighted-average number of common shares outstanding plus dilutive securities. Any anti-dilutive securities are excluded from the diluted per-share calculation.

Basic and diluted loss per share for the years ended December 31, 2023, 2022 and 2021 are calculated as Net loss attributable to common stockholders for each respective period divided by weighted average common shares outstanding for each respective period as all other securities are antidilutive. Potentially dilutive shares include unvested restricted share grants, unvested performance share grants, common shares issuable upon conversion of convertible debt and common shares issuable upon conversion of Common Units of our Operating Partnership.

Use of Estimates

Our Consolidated Financial Statements are prepared in conformity with GAAP, which requires us to make estimates based on assumptions about current and, for some estimates, future economic and market conditions that affect reported amounts and related disclosures in our Consolidated Financial Statements. Although our current estimates contemplate current and expected future conditions, as applicable, it is reasonably possible that actual conditions could materially differ from our expectations, which could materially affect our consolidated financial position and results of operations.

New Accounting Standards

In October 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-06, *Disclosure Improvements*, codification amendments in response to the U.S. Securities and Exchange Commission's ("SEC") Disclosure Update and Simplification Initiative that was issued in August 2018. ASU 2023-06 will modify the disclosure or presentation requirements related to various subtopics, with clarifications to or technical corrections of the current requirements. The new guidance is intended to align U.S. GAAP requirements with those of the SEC and to facilitate the application of U.S. GAAP for all entities. ASU 2023-06 applies to all reporting entities within the scope of the amended subtopics. For entities subject to the SEC's existing disclosure requirements and for entities required to file or furnish financial statements with or to the SEC in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer, the effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. For all entities, if by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the related amendment will be removed from the Codification and will not become effective for any entity. The adoption of ASU 2023-06 will not have a material effect on our Consolidated Financial Statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280)*. ASU 2023-07 which will improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. Although we operate only a single segment, ASU 2023-07 will require us to adhere to all disclosure requirements of the pronouncement which includes among other things, disclosures related to our chief operating decision maker. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The adoption of ASU 2023-07 will not have a material effect on our Consolidated Financial Statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740)*. ASU 2023-09 provides for changes to the rate reconciliation and income taxes paid disclosures to improve the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. ASU 2023-09 also improves the effectiveness and comparability of disclosures by (1) adding disclosures of pretax income (or loss) and income tax expense (or benefit) to be consistent with SEC Regulation S-X 210.4-08(h), *Rules of General Application—General Notes to Financial Statements: Income Tax Expense*, and (2) removing disclosures that no longer are considered cost beneficial or relevant. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The adoption of ASU 2023-09 will not have a material effect on our Consolidated Financial Statements.

Reclassifications

A portfolio of two lodging properties with an aggregate carrying amount of approximately $49.9 million that were classified as Assets Held for Sale at December 31, 2022 have been reclassified to Investments in Lodging Property, net during the year ended December 31, 2023 as the proposed sale of the properties was terminated during the year then ended.

NOTE 3 — INVESTMENTS IN LODGING PROPERTY, NET

Investments in Lodging Property, net

Investments in lodging property, net at December 31, 2023 and 2022 include (in thousands):

	2023	2022
Land	$ 373,039	$ 373,106
Lodging buildings and improvements	2,786,223	2,815,993
Intangible assets	39,954	39,954
Construction in progress	41,324	64,159
Furniture, fixtures and equipment	268,631	252,842
Real estate development loan [1]	4,176	—
	3,513,347	3,546,054
Less - accumulated depreciation and amortization	(784,298)	(704,198)
	$ 2,729,049	$ 2,841,856

(1) In January 2023, we entered into an agreement with affiliates of Onera Opportunity Fund I, LP to provide a mezzanine financing loan to fund up to $4.6 million for the development of a property. The mezzanine loan was classified as Investments in Lodging Property, net in our Consolidated Balance Sheet at December 31, 2023. See "Note 4 - Investment in Real Estate Loans" for further information.

Depreciation expense was $150.3 million, $149.5 million, and $105.5 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Lodging Property Acquisitions

Residence Inn by Marriott - Scottsdale, AZ

In June 2023, the GIC Joint Venture acquired the Residence Inn by Marriott located in Scottsdale, AZ containing 120 guestrooms for a purchase price of approximately $29.0 million. GIC made a capital contribution of $13.7 million, or 49% of the cash paid at closing, to the GIC Joint Venture, and the Operating Partnership made a capital contribution of $14.3 million, or 51% of the cash paid at closing to the GIC Joint Venture, along with $1.0 million of earnest money that was paid from available cash of the GIC Joint Venture to fund the purchase price. The Operating Partnership made its capital contribution to the GIC Joint Venture with available cash on hand and borrowings on our revolving line of credit.

Nordic Lodge - Steamboat Springs, CO

In June 2023, the GIC Joint Venture acquired the Nordic Lodge located in Steamboat Springs, CO containing 47 guestrooms for a purchase price of approximately $13.7 million. GIC made a capital contribution of $6.7 million, or 49% of the purchase price, to the GIC Joint Venture and the Operating Partnership made a capital contribution of $7.0 million, or 51% of the purchase price, to the GIC Joint Venture to fund the purchase price. The Operating Partnership made its capital contribution to the GIC Joint Venture with available cash on hand and borrowings on our revolving line of credit.

NCI Transaction

In January and March 2022, the Operating Partnership and the GIC Joint Venture closed on a transaction with NewcrestImage Holdings, LLC, a Delaware limited liability company, and NewcrestImage Holdings II, LLC, a Delaware limited liability company (together, “NewcrestImage”), to purchase from NewcrestImage a portfolio of 27 lodging properties, containing an aggregate of 3,709 guestrooms, and two parking structures, containing 1,002 spaces and various financial incentives for an aggregate purchase price of $822.0 million (the "NCI Transaction"), paid in the form of 15,864,674 Common Units (deemed value of $10.0853 per unit), 2,000,000 preferred units of limited partnership of the Operating Partnership newly designated as 5.25% Series Z Cumulative Perpetual Preferred Units (Liquidation Preference $25 Per Unit) (the “Series Z Preferred Units”), cash draws totaling $410.0 million from a term loan entered into by subsidiaries of the GIC Joint Venture, the assumption by a subsidiary of the GIC Joint Venture of approximately $6.5 million in Property Assessed Clean Energy ("PACE") loan debt, $5.9 million of cash contributed to escrow in the prior year by GIC, as a limited partner in the GIC Joint Venture, and approximately $185.2 million cash contributed by GIC at closing. GIC also contributed to the GIC Joint Venture an additional $18.5 million in cash for estimated pre-acquisition costs related to the NCI Transaction, a portion of which was distributed to the Operating Partnership as reimbursement for transaction costs paid by the Operating Partnership.

We valued the Common Units and Series Z Preferred Units at fair market value on the closing dates of the NCI Transaction, which resulted in us recording the issued Common Units and Series Z Preferred Units at $157.5 million and $50.0 million, respectively. The Common Units were recorded at the closing prices of our Common Stock on the closing dates since the Common Units are redeemable for shares of our Common Stock on a 1:1 basis. We estimated the fair value of the Series Z Preferred Units based on the features and stated dividend coupon of the Series Z Preferred Units relative to similar securities with more readily determinable market values. We recorded the Series Z Preferred Units at their redemption value of $50.0 million, which approximates fair value on the closing dates.

Our GIC Joint Venture assumed $335.2 million of debt in connection with the NCI Transaction and immediately repaid $328.7 million of the assumed debt on the closing date using proceeds from borrowings on the GIC Joint Venture Term Loan (as described below). We recorded debt assumed in connection with the NCI Transaction at its face amount, which approximated fair market value on the closing date.

Our Joint Venture recorded the NCI Transaction as an asset acquisition and allocated the aggregate purchase price paid for the NCI Transaction to the net assets acquired based on their relative fair values. In determining relative fair values, we made significant estimates regarding replacement costs for the buildings and furniture, fixtures and equipment, and judgements related to certain market assumptions. Incentives and other intangibles include tax incentives totaling approximately $19.8 million associated with certain of the acquired properties in the NCI Transaction and are being amortized over a weighted average amortization period of approximately 9.1 years, which is the period in which we expect to meet the requirements to receive payment of the tax incentives. Other intangible assets totaling approximately $3.9 million are related to key money associated with certain of the lodging properties acquired in the NCI Transaction and are being amortized over a weighted average amortization period of approximately 19.7 years, which is the remaining key money contract period with the franchisor.

Brickell Transaction

In June 2022, we formed the Brickell Joint Venture (see "*Note 10 - Non-controlling Interests and Redeemable Non-controlling Interests*") to facilitate the exercise of our initial purchase option to acquire a 90% equity interest (the "Initial Purchase Option") in the AC Hotel by Marriott and Element Miami Brickell Hotel in Miami, FL (together the "AC/Element Hotel"). The exercise price of the Initial Purchase Option was $89.0 million and was primarily funded with the conversion of the mezzanine loan of $29.9 million to equity, $7.9 million in cash and the assumption of debt.

Onera Transaction

In October 2022, we formed the Onera Joint Venture (see "*Note 10 - Non-controlling Interests and Redeemable Non-controlling Interests*") to facilitate the acquisition of a 90% equity interest in the Onera Opportunity Fund I LP ("Onera") for $5.2 million in cash, plus additional contingent consideration of $1.8 million paid in September 2023. The Onera Joint Venture has a 100% fee simple interest in real property and improvements consisting of an 11-unit glamping property and a 6.4-acre parcel of land.

Lodging property acquisitions during the years ended December 31, 2023 and 2022 were as follows (dollar amounts in thousands):

Date Acquired	Franchise/Brand	Location	Guestrooms	Purchase Price
2023 Acquisitions:				
June 1, 2023	Residence Inn by Marriott	Scottsdale, AZ	120	$ 29,000
June 23, 2023	Nordic Lodge	Steamboat Springs, CO	47	13,700
Total acquisitions 2023			167	$ 42,700
2022 Acquisitions:				
January 13, 2022	Portfolio of properties - twenty-six lodging properties and two parking garages [1]	Various	3,533	$ 766,000
March 23, 2022	Canopy Hotel by Hilton [1]	New Orleans, LA	176	56,000
June 10, 2022	AC/Element Hotel [2]	Miami, FL	264	80,100
October 26, 2022	Onera [3]	Fredericksburg, TX	11	7,000
Total acquisitions 2022			3,984	$909,100

(1) In January 2022, we acquired a portfolio of twenty-six hotels and two parking garages for an aggregate purchase price of 766.0 million. The hotels acquired included 21 hotels and two parking garages in Texas, two hotels in Louisiana, and three hotels in Oklahoma under the following brands: Marriott (13), Hilton (7), Hyatt (4), and IHG (2). In March 2022, we acquired the Canopy New Orleans upon completion of its construction for a purchase price of $56.0 million.

(2) We acquired a 90% equity interest in the AC/Element Hotel for $80.1 million based on the exercise price of the Initial Purchase Option of $89.0 million. The transaction included the assumption of $47.0 million of debt resulting in a net consideration payment requirement of $42.0 million. We paid 90% of the required net consideration with the conversion of our $29.9 million mezzanine loan into equity and a cash payment of $7.9 million. The carrying amount of our Initial Purchase Option of $2.8 million is also included in the total amount allocated to the assets acquired. The Brickell Joint Venture partner's non-controlling interest of $6.9 million represents 10% of the fair value of the net assets on the transaction date, determined by a third-party valuation expert based on discounted forecasted future cash flows of the net assets acquired. We also incurred $0.6 million of transaction costs. The result is a total amount allocated to the assets acquired of $95.1 million plus an intangible asset totaling $2.0 million related to the assumption of the franchises for the hotel properties and a related key money liability.

(3) In October 2022, we completed the acquisition of a 90% equity interest in Onera Joint Venture which owns an 11-unit glamping property for $5.2 million based on aggregate purchase price of $5.8 million. We paid for our 90% in cash, plus $0.5 million of transaction costs. Additionally, the transaction includes additional contingent consideration (based on performance of the property for the 12-month period ending July 31, 2023) that was paid in September 2023 of $1.8 million. The Onera Joint Venture has a 100% fee simple interest in real property and improvements consisting of 11 lodging units and a 6.4-acre parcel of undeveloped land.

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

	2023	2022
Land	$ 12,645	$ 68,426
Lodging buildings and improvements	30,721	756,551
Furniture, fixtures and equipment	1,448	82,730
Incentives and other intangibles	—	25,642
Other assets	—	5,318
Total assets acquired [1] [2]	44,814	938,667
Less debt assumed	—	(382,205)
Less lease liabilities assumed	—	(5,441)
Less other liabilities	—	(5,892)
Net assets acquired	$ 44,814	$ 545,129

(1) Total assets acquired during the year ended December 31, 2023 is based on an aggregate purchase price of $42.7 million plus transaction costs of $0.1 million and $1.8 million related to contingent consideration paid to the seller in September 2023. See *"Note 10 - Non-controlling Interests and Redeemable Non-controlling Interests"* for details related to the Onera Joint Venture.

(2) Total assets acquired during the year ended December 31, 2022 is based on an aggregate purchase price of $909.1 million adjusted for the following items:
- **NCI Transaction:** interest swap breakage fees and debt defeasance costs of $3.5 million, a reduction to the value of the Common Units issued on the closing date of $2.5 million, plus transaction costs of $3.0 million, and intangible assets totaling $9.1 million acquired outside of escrow, and
- **Brickell Transaction:** Brickell Joint Venture partner's non-controlling interest of $6.9 million; Brickell Joint Venture partner's non-controlling interest share of the debt assumed as part of the transaction of $4.7 million, the assumption of intangible assets totaling $2.0 million, the carrying amount of our Initial Purchase Option of $2.9 million, and transactions costs of $0.6 million.
- **Onera Transaction:** Onera Joint Venture partner's non-controlling interest of $0.8 million and $0.5 million of transaction costs.

All lodging property purchases completed during the years ended December 31, 2023 and 2022 were deemed to be the acquisition of assets. Therefore, acquisition costs related to these transactions have been capitalized as part of the recorded amounts of the acquired net assets.

Lodging Property Sales

Portfolio of Four Lodging Properties

In May 2023, we completed the sale of four lodging properties (the "Sale Portfolio") for an aggregate gross selling price of $28.1 million as follows:

Franchise/Brand	Location	Guestrooms
Hilton Garden Inn	Minneapolis (Eden Prairie), MN	97
Holiday Inn Express & Suites	Minneapolis (Minnetonka), MN	93
Hyatt Place	Chicago (Hoffman Estates), IL	126
Hyatt Place	Chicago (Lombard/Oak Brook), IL	151
		467

At December 31, 2022, we classified the Sale Portfolio as Assets Held for Sale and recorded a write-down of $2.9 million to reduce the carrying amount of the net assets to the selling price less estimated costs to sell. As such, the net selling proceeds approximated the net carrying amount of the Sale Portfolio at closing.

Hyatt Place - Baltimore (Owings Mills), MD

In December 2023, we completed the sale of the 123-guestroom Hyatt Place in Baltimore, MD for a gross selling price of $8.3 million. The net selling price less costs to sell approximated the net book value of the hotel property on the sale date resulting in a nominal gain that was recorded in the fourth quarter of 2023.

Hilton Garden Inn San Francisco Airport North - San Francisco, CA

In May 2022, the GIC Joint Venture completed the sale of a 169-guestroom Hilton Garden Inn San Francisco Airport North in San Francisco, CA for a gross selling price of $75.0 million. The sale of this property resulted in a net gain of $20.5 million to the GIC Joint Venture during the year ended December 31, 2022.

Hyatt Place - Dallas (Plano), TX

During the fourth quarter of 2023, we entered into a purchase and sale agreement with a third-party to sell the 127-guestroom Hyatt Place Dallas (Plano), TX for $10.3 million. We reclassified the property in Assets Held for sale, net at December 31, 2023 and recorded a write-down of $4.0 million in the fourth quarter of 2023 for the excess of the net carrying amount of the portfolio of properties over the net selling price less estimated costs to sell. We completed the sale of the property on February 15, 2024 under the terms described above.

Intangible Assets

Intangible assets included in Investments in Lodging Property, net in our Consolidated Balance Sheets include the following (in thousands):

	Weighted Average Amortization Period (in Years)	December 31, 2023	December 31, 2022
Indefinite-lived Intangible assets:			
Air rights	N/A	$ 10,754	$ 10,754
Other	N/A	80	80
		10,834	10,834
Finite-lived intangible assets:			
Tax incentives[(1)]	9.2	19,750	19,750
Key money[(1)]	17.8	9,370	9,370
		29,120	29,120
Total intangible assets		39,954	39,954
Less - accumulated amortization		(9,251)	(5,110)
Intangible assets, net		$ 30,703	$ 34,844

(1) Finite-lived intangible assets were primarily acquired in the NCI Transaction.

We recorded amortization expense related to intangible assets of approximately $4.1 million and $4.0 million for the years ended December 31, 2023 and 2022, respectively. There was no amortization expense related to intangible assets for the for the year ended December 31, 2021.

Future amortization expense related to intangible assets is as follows (in thousands):

For the Year Ended December 31,	Amount
2024	$ 4,126
2025	1,564
2026	1,564
2027	1,511
2028	1,016
Thereafter	10,088
	$ 19,869

Assets Held for Sale

Assets held for sale, net at December 31, 2023 include a parcel of undeveloped land in Flagstaff, AZ and certain properties that are under contract for sale and expected to close during the first half of 2024 as follows (in thousands):

	December 31,	
	2023	2022
Under Contract for Sale:		
Portfolio of four lodging properties	$ —	$ 27,516
Hyatt Place - Dallas (Plano), TX	9,940	—
One individual lodging property and a portfolio of two lodging properties	54,146	—
Parcel of undeveloped land - San Antonio, TX	1,225	1,225
	65,311	28,741
Marketed for Sale:		
One individual lodging property	8,004	—
Parcel of undeveloped land - Flagstaff, AZ	425	425
	$ 73,740	$ 29,166

During the first quarter of 2024, we entered into two separate purchase and sale agreements with two unrelated third-parties to sell one individual lodging property and a portfolio of two lodging properties with an aggregate 529-guestrooms for an aggregate selling price of $84.0 million. We reclassified all three of the properties to Assets Held for sale, net at December 31, 2023 and recorded a write-down of $1.4 million in the fourth quarter of 2023 for the excess of the net carrying amount of one of the lodging properties over its net selling price less estimated costs to sell. We expect to complete the transactions during the first half of 2024.

At December 31, 2023, we have a lodging property with 101-guestrooms being marketed for sale. We have reclassified the property to Assets Held for Sale, net at December 31, 2023 and recorded a write-down of $11.3 million in the fourth quarter of 2023 for the excess of the net carrying amount of the lodging property over its expected net selling price less estimated costs to sell.

During the first quarter of 2023, we entered into a purchase and sale agreement with a third-party to sell a 5.99-acre parcel of undeveloped land in San Antonio, TX for $1.3 million. We expect to complete the transaction during the second quarter of 2024.

During the year ended December 31, 2022, the Company recorded a Loss on write-down of assets of $2.9 million to reduce the carrying amounts of the Hilton Garden Inn - Eden Prairie, MN, Holiday Inn Express & Suites - Minnetonka, MN, Hyatt Place - Chicago (Hoffman Estates), and Hyatt Place - Chicago (Lombard), IL to their net selling prices less estimated costs to sell. Additionally, during the year ended December 31, 2022, the Company recorded a loss on write-down of assets of $7.2 million to reduce the carrying amounts of two lodging properties to their expected selling prices less estimated costs to sell. The proposed sale of these two lodging properties was terminated during the year ended December 31, 2023.

During the year ended December 31, 2021, the Company recorded a loss on write-down of assets of $4.4 million on its unexercised purchase options related to real estate development loans. See "*Note 11 – Fair Value Measurement*" for further information.

NOTE 4 — INVESTMENT IN REAL ESTATE LOANS

Real Estate Development Loans

Onera Mezzanine Financing Loan

In January 2023, we entered into an agreement with affiliates of Onera Opportunity Fund I, LP ("Onera") to provide a mezzanine financing loan to fund up to $4.6 million (the "Onera Mezzanine Loan") for the development of a lodging property in Wimberley, TX. The Onera Mezzanine Loan is secured by a second mortgage on the property and is subordinate to the senior lender for the development project. The loan matures 24 months from the closing date of the transaction and may be extended for an additional 12 months at the borrower's option. Additionally, we issued a $3.0 million letter of credit to the senior lender of the project as additional support for Onera's construction loan. We also have an option to purchase 90% of the equity of the entity that owns the development property upon completion of construction or upon the one-year anniversary of such completion at a pre-determined price (the "Onera Purchase Option"). The development is expected to be completed in the second half of 2024. As of December 31, 2023, we have funded our entire $4.6 million commitment under the mezzanine financing loan. The balance of the Onera Mezzanine Loan is recorded net of the unamortized discount related to the carrying amount of the Onera Purchase Option of $0.4 million at December 31, 2023, and is classified as Investments in lodging property, net in our Consolidated Balance Sheets at December 31, 2023.

We recorded the Onera Purchase Option related to the Onera Mezzanine Loan at its estimated fair value of $0.9 million on the transaction date using the Black-Scholes model in Other assets and as a contra-asset to Investments in lodging property, net. The recorded amount of the Onera Purchase Option is being amortized over the term of the Onera Mezzanine Loan using the straight-line method, which approximates the interest method, as non-cash interest income. For the year ended December 31, 2023, we amortized $0.5 million of the carrying amount of the Onera Purchase Option as non-cash interest income.

Our estimate of the fair value of the Onera Purchase Option under the Black-Scholes model requires judgment and estimates primarily related to the volatility of our stock price and expected levels of future dividends on our common stock. Although our estimate contemplates current and expected future conditions, as applicable, it is reasonably possible that actual conditions could materially differ from our expectations.

Brickell Mezzanine Financing Loan

During the year ended December 31, 2019, we executed a mezzanine financing loan to a developer, as amended (the "Brickell Mezzanine Loan"), to fund up to $29.9 million for a mixed-use development project that included the AC/Element Hotel, retail space, and parking.

During the second quarter of 2022, we exercised our option (the “Initial Purchase Option”) to purchase a 90% interest in the AC/Element Hotel, retail space, and parking that was granted in connection with the Brickell Mezzanine Loan, which resulted in payment in full of the Brickell Mezzanine Loan. We also have the right to purchase the remaining interest in the property five years after the completion of construction. The Brickell Mezzanine Loan was classified as Investments in lodging property, net in our Condensed Consolidated Balance Sheets.

Seller-Financing Loans

In June 2018, we sold two hotel properties for an aggregate selling price of $24.9 million. We provided seller financing in two notes totaling $3.6 million on the sale of these properties. During the year ended December 31, 2020, we recorded an allowance for credit losses in an amount equal to the outstanding principal balance of the loans due to a borrower default caused by the negative effects of the Pandemic. During the year ended December 31, 2022, we received $0.6 million from the borrower to repay one of the two loans in full and $0.5 million of principal payments on the remaining loan. As such, we recorded Recoveries of credit losses of $1.1 million during the year ended December 31, 2022. During the year ended December 31, 2023, we received $1.5 million from the borrower to repay approximately $0.3 million of accrued and unpaid interest and the remaining outstanding principal balance of the remaining loan. As a result, we recorded Recoveries of credit losses of $1.2 million during the year ended December 31, 2023 related to the repayment in full of the seller-financing loan.

The seller-financing loan, net was included in Prepaid expenses and other in our Consolidated Balance Sheets at December 31, 2022.

Investment in real estate loans, net at December 31, 2022 was as follows (in thousands):

	December 31, 2022
Real estate loan	$ 1,250
Allowance for credit losses	(1,250)
	$ —

NOTE 5 — SUPPLEMENTAL BALANCE SHEET INFORMATION

Restricted Cash

Restricted cash was as follows (in thousands):

	December 31,	
	2023	2022
FF&E reserves	$ 9,583	$ 10,223
Property taxes	343	316
Other	5	14
	$ 9,931	$ 10,553

The Company maintains reserve funds for property taxes, insurance, capital expenditures and replacement or refurbishment of furniture, fixtures and equipment at some of our lodging properties in accordance with management, franchise or mortgage loan agreements. These agreements generally require us to reserve cash ranging from 2% to 5% of the revenues of the individual lodging property in restricted cash escrow accounts. Any unused restricted cash balances revert to us upon the termination of the underlying agreement or may be released to us from the restricted cash escrow accounts upon proof of expenditures and approval from the lender or other party requiring the restricted cash reserves.

Prepaid Expenses and Other

Prepaid expenses and other included the following (in thousands):

	December 31,	
	2023	2022
Deferred acquisition costs	$ 199	$ 334
Prepaid insurance	1,945	1,708
Prepaid taxes	1,478	1,639
Other	5,243	4,697
	$ 8,865	$ 8,378

Deferred Charges

Deferred charges were as follows (in thousands):

	December 31,	
	2023	2022
Franchise fees	$ 10,106	$ 10,079
Less - accumulated amortization	(3,447)	(3,005)
	$ 6,659	$ 7,074

Amortization expense for the years ended December 31, 2023, 2022, and 2021 was $0.6 million, $0.7 million and $0.5 million, respectively.

Other Assets

Other assets included the following (in thousands):

	December 31,	
	2023	2022
Derivative financial instrument	$ 13,958	$ 16,841
Purchase options related to real estate loan	931	—
Deferred tax asset, net	20	108
Other	645	1,001
	$ 15,554	$ 17,950

Accrued Expenses and Other

Accrued expenses and other included the following (in thousands):

	December 31,	
	2023	2022
Accrued property, sales and income taxes	$ 26,590	$ 28,972
Accrued salaries and benefits	13,307	13,029
Other accrued expenses at lodging properties	26,745	25,282
Accrued interest	6,136	4,158
Other	8,437	9,863
	$ 81,215	$ 81,304

NOTE 6 — DEBT

At December 31, 2023, our indebtedness was comprised of borrowings under our 2023 Senior Credit Facility (as defined below), the 2018 Term Loan (as defined below), the GIC Joint Venture Credit Facility (as defined below), the GIC Joint Venture Term Loan (as defined below), the PACE Loan (as defined below), the Brickell Mortgage Loan (as defined below), the Convertible Notes (as defined below), and other indebtedness secured by first priority mortgage liens on various lodging properties. The weighted average interest rate, after giving effect to our interest rate derivatives, for all borrowings was 5.31% and 5.04% at December 31, 2023 and 2022, respectively.

$600 Million Senior Credit and Term Loan Facility

In June 2023, the Operating Partnership, as borrower, the Company, as parent guarantor, and each party executing the loan documentation as a subsidiary guarantor, entered into an amended and restated $600.0 million senior credit facility (the "2023 Senior Credit Facility") with Bank of America, N.A., as successor administrative agent, and a syndicate of lenders. The 2023 Senior Credit Facility is comprised of a $400.0 million revolver (the "$400 Million Revolver") and a $200.0 million term loan facility (the "$200 Million Term Loan"). The 2023 Senior Credit Facility has an accordion feature which allows the Company to increase the total commitments by an aggregate of up to $300.0 million.

The $400 Million Revolver has a maturity date of June 2027, which may be extended by the Company for up to two consecutive six-month periods, subject to certain conditions and the $200 Term Loan has a maturity date of June 2026, which may be extended by the Company for up to two consecutive 12-month periods, subject to certain conditions. At December 31, 2023, the $200 Million Term Loan was fully funded, and we had no borrowings on our $400 Million Revolver. Borrowings under the 2023 Senior Credit Facility are limited by the value of the Unencumbered Assets.

The 2023 Senior Credit Facility bears interest at the Secured Overnight Financing Rate ("SOFR"). The interest rate on the $400 Million Revolver is based on the higher of (i) a pricing grid ranging from 140 basis points to 240 basis points plus Adjusted Daily SOFR or Adjusted Term SOFR, depending on the Company's leverage ratio (as defined in the loan documents); and (ii) a pricing grid ranging from 40 basis points to 140 basis points over the Base Rate, depending on the Company's leverage ratio (as defined in the credit agreements governing the 2023 Senior Credit Facility).

The interest rate on the $200 Million Term Loan pursuant to the 2023 Senior Credit Facility is based on the higher of (i) a pricing grid ranging from 135 basis points to 235 basis points plus Adjusted Daily SOFR or Adjusted Term SOFR, depending on the Company's leverage ratio (as defined in the loan documents); and (ii) a pricing grid ranging from 35 basis points to 135 basis points over the Base Rate, depending on the Company's leverage ratio (as defined in the loan documents).

Term SOFR will be available for one, three and six-month interest periods. The Base Rate is a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced by Bank of America as its "prime rate," (c) SOFR published on such day on the Federal Reserve Bank of New York's website (or any successor source) plus 1.00% and (d) 1.00%. For purposes of the 2023 Senior Credit Facility, SOFR is subject to a floor of zero basis points.

We are also required to pay an unused fee ("Unused Fee") on the undrawn portion of the $400 Million Revolver. The Unused Fee shall be calculated on a daily basis on the unused amount of the $400 Million Revolver multiplied by (i) 0.25% per annum in the event that Revolver usage is greater than 50%, and (ii) 0.20% per annum in the event that Revolver usage is equal to or less than 50%. The Unused Fee is payable quarterly in arrears and on the final maturity date of the $400 Million Revolver.

The 2023 Senior Credit Facility requires the borrower and certain subsidiaries to pledge to the secured parties all of the equity interests in the entities that own all properties included in the unencumbered asset pool supporting the facility ("Unencumbered Properties"), as well as the equity interests in the TRS Lessees related to such Unencumbered Properties until the borrower meets certain conditions for their release, which conditions were satisfied subsequent to December 31, 2023 and the pledge of such equity interests were released in full. The 2023 Senior Credit Facility also permitted the Company to complete the Convertible Notes Offering (defined below), the Series F preferred shares offering (defined below), close on the NCI Transaction and enter into equity transactions and indebtedness related thereto.

Term Loans

2018 Term Loan

In February 2018, 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 new $225.0 million term loan (the “2018 Term Loan”) with KeyBank National Association, as administrative agent, and a syndicate of lenders listed in the loan documentation, which is fully drawn as of December 31, 2023. 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.

Amendments to $225 Million 2018 Term Loan

Between May 2020 and July 2022, the Company entered into several amendments to the 2018 Term Loan (collectively, the "2018 Term Loan Amendments"). The amendments to the 2018 Term Loan are substantially the same as the 2023 Senior Credit Facility. There was no modification to the maturity date of the 2018 Term Loan.

We pay interest on advances at varying rates, based upon, at our option, either (i) daily, 1-, 3-, or 6-month SOFR (subject to a floor of 25 basis points), plus a SOFR adjustment equal to 10 basis points and an applicable margin between 135 and 215 basis points, depending upon our leverage ratio (as defined in the loan documents). We are required to pay other fees, including customary arrangement and administrative fees.

Financial and Other Covenants. We are required to comply with various financial and other covenants to draw and maintain borrowings under the 2018 Term Loan. The 2018 Term Loan Amendments provide that certain financial and other covenants under the 2018 Term Loan were waived or adjusted, which waivers and adjustments were the same as the Company's prior senior credit facility. At December 31, 2023, we were in compliance with all financial covenants.

Unencumbered Assets. Borrowings under the 2018 Term Loan are limited by the value of the Unencumbered Assets.

Subsequent to year-end, the Company successfully completed a new $200 million senior unsecured term loan financing (the “2024 Term Loan”) that refinanced and replaced the 2018 Term Loan. The 2024 Term Loan has an initial maturity date of February 2027 and can be extended for two 12-month periods at the Company’s option, subject to certain conditions, for a fully extended maturity date of February 2029.The 2024 Term Loan provides for interest rate pricing ranging from 135 basis points to 235 basis points over the applicable adjusted term SOFR or 35 basis points to 135 basis points over base rate, at the Company's option. Proceeds from the 2024 Term Loan financing and advances on our $400 Million Revolver were used to repay in full the Company’s $225 million 2018 Term Loan that was scheduled to mature in February 2025. In connection with the closing of the 2024 Term Loan, the collateral securing the Company’s 2023 Senior Credit Facility was released. As a result of the 2024 Term Loan financing, the Company has significantly reduced debt maturities until 2026 and has an average length to maturity of approximately 3.6 years. Other terms of the agreement are similar to the Company’s 2023 Senior Credit Facility.

Convertible Senior Notes and Capped Call Options

In January 2021, we entered into an underwriting agreement (the “Convertible Notes Offering”) pursuant to which the Company agreed to offer and sell $287.5 million aggregate principal amount of 1.50% convertible senior notes due 2026 (the “Convertible Notes"). The net proceeds from the Convertible Notes Offering, after deducting underwriting discounts and commissions and offering expenses payable by the Company (including net proceeds from the full exercise by the underwriters of their over-allotment option to purchase additional Convertible Notes), were approximately $280.0 million before consideration of the Capped Call Transactions (as described below). These proceeds were used to pay the cost of the Capped Call Transactions and to partially repay outstanding obligations under the Company's prior senior credit facility and a $62.0 million term loan.

The Convertible Notes bear interest at a rate of 1.50% per year, payable semi-annually in arrears on February 15 and August 15 of each year, beginning on August 15, 2021. The Convertible Notes will mature on February 15, 2026 (the "Maturity Date"), unless earlier converted, purchased or redeemed. Prior to August 15, 2025, the Convertible Notes will be convertible only upon certain circumstances and during certain periods. On or after August 15, 2025 and through the Maturity Date, holders may convert any of their Convertible Notes into shares of the Company's common stock, at the applicable conversion rate at any time prior to the close of business on the second scheduled trading day prior to the Maturity Date, unless the Convertible Notes have been previously purchased or redeemed by the Company. During each of the years ended December 31, 2023, 2022 and 2021, the Company recorded coupon interest expense of $4.3 million, $4.3 million, and $4.2 million, respectively, and amortized $1.5 million during each of the years ended December 31, 2023, 2022, and 2021 of the $7.6 million debt issuance costs related to the Convertible Notes Offering. Including the amortization of the debt issuance costs, the current effective interest rate on the Convertible Notes is approximately 2.02%. The unamortized discount related to the Convertible Notes was $3.2 million and $4.7 million at December 31, 2023 and 2022, respectively.

The initial conversion rate of the Convertible Notes is 83.4028 shares of common stock per $1,000 principal amount of Convertible Notes, which is equivalent to an initial conversion price of $11.99 per share of common stock based on the 37.5% base conversion premium on the reference price of $8.72 per share. In no event will the conversion rate exceed 114.6788 shares of common stock per $1,000 principal amount of Convertible Notes, subject to certain adjustments defined in the Convertible Notes Offering. Commensurate with the declaration of dividends on our common stock and Common Units during the years ended December 31, 2023 and 2022, the conversion rate of the Convertible Notes was adjusted to 87.0869 shares of common stock per $1,000 principal amount of Convertible Notes at December 31, 2023.

In January 2021, in connection with the pricing of the Convertible Notes and the full exercise by the Underwriters of their option to purchase additional Convertible Notes pursuant to the Underwriting Agreement, the Company entered into privately negotiated capped call transactions (the "Capped Call Transactions") with certain of the underwriters or their respective affiliates and another financial institution (the "Capped Call Counterparties"). The Capped Call Transactions initially cover, subject to anti-dilution adjustments substantially similar to those applicable to the Convertible Notes, the number of shares of common stock underlying the Convertible Notes. The Capped Call Transactions are generally expected to reduce the potential dilution to holders of shares of common stock upon conversion of the Convertible Notes or offset the potential cash payments that the Company could be required to make in excess of the principal amount of any converted Convertible Notes upon conversion thereof, with such reduction or offset subject to a cap.

The effective strike price of the Capped Call Transactions is initially $15.26, which represents a premium of 75.0% over the last reported sale price of the common stock on the New York Stock Exchange on January 7, 2021, and is subject to certain adjustments under the terms of the Capped Call transactions. The strike price was $14.61 at December 31, 2023 due to the adjustments related to the dividends paid during the years ended December 31, 2023 and 2022.

MetaBank and Other Mortgage Loans

In June 2017, Summit Meta 2017, LLC ("SM-17"), a subsidiary of our Operating Partnership, entered into a $47.6 million secured, non-recourse loan with MetaBank (the "MetaBank Loan"). The MetaBank Loan provides for a fixed interest rate of 4.44%, amortizes over 25 years, and matures on July 1, 2027. The MetaBank Loan is secured by three hotel properties and is subject to a prepayment penalty if prepaid prior to April 1, 2027. In or around December 2021, MetaBank sold the MetaBank Loan to Bayside MB CRE Loans, LLC ("Bayside"). In October 2022, and on several occasions thereafter, Bayside's legal counsel sent letters to SM-17 alleging various events of default under the MetaBank Loan, primarily related to certain non-monetary covenants. In all cases, SM-17's legal counsel sent written responses to Bayside disputing that any events of default have occurred.

At December 31, 2023 and 2022, we had mortgage loans totaling $123.3 million and $125.6 million, respectively, that are secured primarily by first mortgage liens on eight hotel properties each at December 31, 2023 and 2022.

During 2022, we entered into agreements to fully defease four commercial mortgage-backed securities ("CMBS") mortgage loans totaling $87.3 million, and by placing into trust an amount sufficient to cover future principal and interest payments. The defeasance resulted in the 11 lodging properties that collateralized the CMBS mortgage loans becoming unencumbered. The defeasance was recorded as an extinguishment of the debt since we have been fully released from liability. As part of the transaction, we incurred transaction costs of $0.8 million that were recorded as Transaction Costs in our Statement of Operations for the year ended December 31, 2022. We will no longer be obligated to make future interest payments of approximately $2.4 million between the defeasance dates and the original maturity dates, and $26.8 million of restricted cash reserves were returned to us. We also expensed $0.1 million of unamortized deferred financing costs related to the defeased CMBS mortgage loans as Transaction Costs during the year ended December 31, 2022.

GIC Joint Venture Credit Facility

In October 2019, Summit JV MR 1, LLC (the “Borrower”), as borrower, and Summit Hospitality JV, LP (the “Parent” or "GIC Joint Venture"), as parent of the Borrower, and each party executing the credit facility documentation as a subsidiary guarantor, entered into a $200.0 million credit facility (the “GIC Joint Venture Credit Facility”) with Bank of America, N.A., as administrative agent and sole initial lender, and BofA Securities, Inc., as sole lead arranger and sole bookrunner. The Operating Partnership and the Company are not borrowers or guarantors of the GIC Joint Venture Credit Facility. The GIC Joint Venture Credit Facility is guaranteed by all of the Borrower’s existing and future subsidiaries, subject to certain exceptions.

The GIC Joint Venture Credit Facility is comprised of a $125.0 million revolving credit facility (the “$125 Million Revolver”) and a $75.0 million term loan (the “$75 Million Term Loan”). The GIC Joint Venture Credit Facility has an accordion feature which allows the GIC Joint Venture to increase the total commitments by up to $300.0 million, for aggregate potential borrowings of up to $500.0 million on the GIC Joint Venture Credit Facility. At December 31, 2023, the GIC Joint Venture had $125.0 million outstanding under the $125 Million Revolver. The $125 Million Revolver and the $75 Million Term Loan have an initial maturity date of September 2027 and can be extended for a single 12-month period at the option of the GIC Joint Venture, subject to certain conditions. As such, the $125 Million Revolver and the $75 Million Term Loan have a fully extended maturity date of September 2028.

The interest rate on the $125 Million Revolver is based on the higher of (i) Daily SOFR or Term SOFR (1-month or 3-month), plus a SOFR adjustment of 0.10%, plus a margin of 2.15%, 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 Term SOFR plus 1.00%, plus a base rate margin of 1.15%.

The interest rate on the $75 Million Term Loan is five basis points less than the interest rate on the $125 Million Revolver referenced above.

In addition, on a quarterly basis, the GIC Joint Venture will be required to pay a fee on the unused portion of the GIC Joint Venture Credit Facility equal to the unused amount multiplied by an annual rate of 0.25% of the average unused amount of the GIC Joint Venture Credit Facility. The GIC Joint Venture will also be required to pay other fees, including customary arrangement and administrative fees.

The GIC Joint Venture Credit Facility requires the borrower and certain subsidiaries to pledge to the secured parties all of the equity interests in the entities that own the 13 lodging properties included in the borrowing base assets, the related TRS entities that lease each of the borrowing base assets, and all other subsidiaries of the borrower and the subsidiary guarantors, subject to certain exceptions.

Amendments to $200 Million GIC Joint Venture Credit Facility

In June 2020, the Company entered into a Second Amendment to Credit Agreement related to the GIC Joint Venture Credit Facility (the “Second Amendment”). The Second Amendment resulted in waivers or adjustments to certain financial and other covenants under the GIC Joint Venture Credit Facility, which are described in the Current Report on Form 8-K filed by the Company on June 24, 2020.

In April 2021, the Borrower, Parent, and each party executing the credit facility documentation as a subsidiary guarantor, entered into a Third Amendment to Credit Agreement concerning the GIC Joint Venture Credit Facility (the “Third Amendment”).

Under the Third Amendment, certain financial and other covenants under the GIC Joint Venture Credit Facility were waived or adjusted as follows:

- Increase of the Maximum Leverage Ratio through the initial maturity date (as defined in the loan agreements);
- Increase of the Borrowing Base Leverage through the initial maturity date (as defined in the loan agreements);

During the covenant waiver period (which ended during 2022), the applicable margin was increased to 230 basis points and 225 basis points for the $125 Million Revolver and $75 Million Term Loan, respectively.

In February 2023, the Borrower entered into the Fifth Amendment to Credit Agreement to, among other things, convert the reference rate used in interest rate calculations from the London InterBank Offered Rate ("LIBOR") to adjusted term or daily SOFR (using a 10-basis point credit spread adjustment), with Borrower's option to borrow base rate advances, term SOFR advances or daily SOFR advances.

In September 2023, the Company recast the GIC Joint Venture Credit Facility in its entirety (the "GIC Joint Venture Credit Recast"). The GIC Joint Venture Credit Recast extends the maturity of the $125 Million Revolver and the $75 Million Term Loan to an initial maturity date of September 2027, which may be extended for a single 12-month period at the option of the GIC Joint Venture, subject to certain conditions. As such, the GIC Joint Venture Credit Recast has a fully extended maturity date of September 2028.

The GIC Joint Venture Credit Recast requires the borrower and certain subsidiaries to pledge to the secured parties all of the equity interests in the entities that own the 13 properties included in the borrowing base assets, the related TRS entities that lease each of the borrowing base assets, and all other subsidiaries of the borrower and the subsidiary guarantors, subject to certain exceptions.

Borrowing Base Assets. The GIC Joint Venture Credit Facility is secured primarily by a first priority pledge of the Borrower's equity interests in the subsidiaries that hold 13 lodging properties financed by the facility, and the related TRS entities, which wholly own the TRS Lessees that lease each of the borrowing base assets. There are currently 13 lodging properties deemed borrowing base assets.

GIC Joint Venture Term Loan

In connection with the NCI Transaction, in January 2022, Summit JV MR 2, LLC, Summit JV MR 3, LLC and Summit NCI NOLA BR 184, LLC (each of which is a subsidiary of the GIC Joint Venture, and are collectively, the “JV Borrowers”), the GIC Joint Venture, as parent guarantor, and each party executing the credit facility documentation as a subsidiary guarantor, entered into a $410.0 million senior secured term loan facility (the “GIC Joint Venture Term Loan”) with Bank of America, N.A., as administrative agent and initial lender, Wells Fargo Bank, National Association, as syndication agent and an initial lender, and BofA Securities, Inc. and Wells Fargo Securities, LLC, as joint lead arrangers and joint bookrunners.

Neither the Operating Partnership nor the Company are borrowers or guarantors of the GIC Joint Venture Term Loan. The GIC Joint Venture Term Loan is guaranteed by the GIC Joint Venture and all of the JV Borrowers’ existing and future subsidiaries, subject to certain exceptions.

The GIC Joint Venture Term Loan provides for a $410.0 million term loan and has an accordion feature which permits an increase in the total commitments by up to $190.0 million, for aggregate potential borrowings of up to $600.0 million. The GIC
Joint Venture Term Loan will mature in January 2026 and can be extended for a single 12-month period at the option of the
GIC Joint Venture, subject to certain conditions. As such, the GIC Joint Venture Term Loan has a fully extended maturity date of January 2027. In February 2023, the GIC Joint Venture entered into an amendment to the GIC Joint Venture Term Loan to amend certain definitions, revise the minimum borrowing base interest coverage ratio and make certain other changes.

As of December 31, 2023, we had $410.0 million outstanding on the GIC Joint Venture Term Loan bearing interest at a floating rate of SOFR plus 2.75%. The interest rate at December 31, 2023 was 8.22%.

Borrowing Base Assets. The GIC Joint Venture Term Loan is secured primarily by a first priority pledge of the JV Borrowers’ equity interests in the subsidiaries that hold a direct or indirect interest in the 27 lodging properties and two parking facilities purchased in the NCI Transaction that constitute borrowing base assets. The GIC Joint Venture Term Loan contains terms, conditions and covenants for typical for similar credit facilities.

PACE Loan

As part of the NCI Transaction, a subsidiary of the GIC Joint Venture assumed a PACE loan of approximately $6.5 million. The outstanding balance of the PACE loan is $6.1 million at December 31, 2023. The loan bears fixed interest at 6.10%, has an amortization period of 20 years, and matures on July 31, 2040. The PACE loan is secured by an assessment lien imposed by the County of Tarrant, Texas for the benefit of the lender.

Brickell Mortgage Loan

In June 2022, the Company entered into a joint venture (the "Brickell Joint Venture") with C-F Brickell, LLC, a Delaware limited liability company that was the developer of the AC/Element Hotel ("C-F Brickell"), to facilitate the exercise of the Initial Purchase Option to acquire a 90% equity interest in the Brickell Joint Venture, which owned a 100% interest in the AC/Element Hotel. In June 2022, the Brickell Joint Venture entered into a $47.0 million mortgage loan and non-recourse guaranty with City National Bank of Florida to finance the dual-branded AC/Element Hotel. The City National Bank Loan provides for an interest rate equal to one-month term SOFR plus 300 basis points. Payment terms include an interest-only period through June 30, 2024 and the loan will amortize based on a 25-year schedule from July 1, 2024 through the maturity date of June 30, 2025. The City National Bank Loan is prepayable at any time without penalty.

Financial Guarantee

During the year ended December 31, 2023, we issued a $3.0 million letter of credit to the senior lender of a development project for which we provided the Onera Mezzanine Loan as additional support on behalf of the developer. We recorded the non-contingent portion of financial guarantee as a liability of $0.2 million on the transaction date, which is the premium receivable for the guarantee payable to us by the borrower. The liability is being amortized using the straight-line method into interest income over the term of the letter of credit and is recorded in Accrued expenses and other in our Consolidated Balance Sheet at December 31, 2023.
Currently, payment under the contingent portion of the guarantee is not probable nor reasonably estimable. Therefore, no liability for the contingent portion of the guarantee is recorded at December 31, 2023.

At December 31, 2023 and 2022 our outstanding indebtedness was as follows (dollar amounts in thousands):

Lender	Reference	Interest Rate	Amortization Period (Years)	Initial Maturity Date	Fully Extended Maturity Date	Number of Properties Encumbered	December 31, 2023	December 31, 2022
OPERATING PARTNERSHIP DEBT:								
2023 Senior Credit Facility								
Bank of America, NA								
$400 Million Revolver	(1)	7.41% Variable	n/a	6/21/2027	6/21/2028	n/a	$ —	$ 15,000
$200 Million Term Loan	(1)	7.36% Variable	n/a	6/21/2026	6/21/2028	n/a	200,000	200,000
Total Senior Credit and Term Loan Facility							200,000	215,000
Term Loans								
KeyBank National Association Term Loan	(1) (7)	7.21% Variable	n/a	2/14/2025	2/14/2025	n/a	225,000	225,000
Convertible Notes		1.50% Fixed	n/a	2/15/2026	2/15/2026	n/a	287,500	287,500
Secured Mortgage Indebtedness								
MetaBank	(2)	4.44% Fixed	25	7/1/2027	7/1/2027	3	42,611	43,917
Bank of the Cascades (First Interstate Bank)	(3)	7.33% Variable	25	12/19/2024	12/19/2024	1	7,425	7,691
Bank of the Cascades (First Interstate Bank)	(3)	4.30% Fixed	25	12/19/2024	12/19/2024		7,425	7,691
Total Mortgage Loans						4	57,461	59,299
Total Operating Partnership Debt						4	769,961	786,799
JOINT VENTURE DEBT:								
Brickell Joint Venture Mortgage Loan								
City National Bank of Florida		8.35% Variable	25	6/9/2025	6/9/2025	2	47,000	47,000
GIC Joint Venture Credit Facility and Term Loans	(4)							
Bank of America, N.A.								
$125 Million Revolver		7.61% Variable	n/a	9/15/2027	9/15/2028	n/a	125,000	125,000
$75 Million Term Loan		7.56% Variable	n/a	9/15/2027	9/15/2028	n/a	75,000	75,000
Bank of America, N.A.		8.22% Variable	n/a	1/13/2026	1/13/2027	n/a	410,000	410,000
Wells Fargo	(5)	4.99% Fixed	30	6/6/2028	6/6/2028	1	12,785	13,032
PACE loan	(6)	6.10% Fixed	20	7/31/2040	7/31/2040	1	6,093	6,293
Total GIC Joint Venture Credit Facility and Term Loans						2	628,878	629,325
Total Joint Venture Debt						4	675,878	676,325
Total Debt						8	1,445,839	1,463,124
Unamortized debt issuance costs							(15,171)	(11,328)
Debt, net of issuance costs							$ 1,430,668	$ 1,451,796

(1)The $600 million 2023 Senior Credit Facility is supported by a borrowing base of 52 unencumbered hotel properties.

(2) In June 2017, we entered into the MetaBank Loan. The MetaBank Loan is secured by the Hampton Inn & Suites in Minneapolis, MN, 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. In or around December 2021, MetaBank sold the MetaBank Loan to Bayside MB CRE Loans, LLC (“Bayside”).

(3) In December 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 loan is comprised of two promissory notes that are secured by the same collateral and cross-defaulted.

(4) The GIC Joint Venture Credit Facilities and Term Loans are secured by a pledge of the equity interests in the subsidiaries that own and operate the borrowing base assets financed by the facility.

(5) In December 2021, we assumed a $13.3 million loan with a fixed rate of 4.99% and a maturity of June 6, 2028. This loan is secured by the Embassy Suites by Hilton in Tucson, AZ. This loan is subject to defeasance if prepaid.

(6) As part of the NCI Transaction, a subsidiary of the GIC Joint Venture assumed a PACE loan of approximately $6.5 million. The loan bears fixed interest at 6.10%, has an amortization period of 20 years, and matures on July 31, 2040. The PACE loan is secured by an assessment lien imposed by the County of Tarrant, Texas for the benefit of the lender.

(7) In February 2024, we successfully completed the 2024 Term Loan. Proceeds from the 2024 Term Loan financing along with advances on our $400 Million Revolver were used to repay the 2018 Term Loan that was scheduled to mature in February 2025. The 2024 Term Loan provides for a fully extended maturity date of February 2029.

There are currently no defaults under any of the Company's mortgage loan agreements.

Our total fixed-rate and variable-rate debt at December 31, 2023 and 2022, after giving effect to our interest rate derivatives, is as follows (dollar amounts in thousands):

	2023	Percentage	2022	Percentage
Fixed-rate debt[1]	$ 956,414	66 %	$ 758,433	52 %
Variable-rate debt	489,425	34 %	704,691	48 %
	$ 1,445,839		$ 1,463,124	

(1) At December 31, 2023, debt related to our wholly-owned properties coupled with our pro rata share of joint venture debt results in a fixed-rate debt ratio of approximately 75% of our total pro rata indebtedness when including the effect of interest rate swaps. See *"Note 8 - Derivative Financial Instruments and Hedging."*

Contractual principal payments, without consideration of maturity date extension options, but including the refinancing of the 2018 Term Loan subsequent to December 31, 2023, for each of the next five years are as follows (in thousands):

For the Year Ended December 31,	Amount
2024	$ 16,926
2025	48,485
2026	289,417
2027	449,204
2028	436,937 [1]
Thereafter	204,870
	$ 1,445,839

(1) Debt maturities in 2028 include $25 million related to the refinancing of the 2018 Term Loan that was paid at closing of the 2024 Term Loan in February 2024. Advances on our $400 Million Revolver have a fully extended maturity of June 2028.

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

	2023		2022		
	Carrying Value	Fair Value	Carrying Value	Fair Value	Valuation Technique
Convertible notes	$ 287,500	$ 256,141	$ 287,500	$ 247,126	Level 1 - Market approach
Mortgage loans	68,915	60,883	70,933	61,447	Level 2 - Market approach
	$ 356,415	$ 317,024	$ 358,433	$ 308,573	

At December 31, 2023 and 2022, we had $600.0 million and $400.0 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, see "*Note 8 – Derivative Financial Instruments and Hedging*."

NOTE 7 — LEASES

The Company has operating leases related to the land under certain lodging properties, conference centers, parking spaces, automobiles, our corporate office and other miscellaneous office equipment. These leases have remaining terms of 1 year to 74.5 years, some of which include options to extend the leases for additional years. The exercise of lease renewal options is at our sole discretion. Certain leases also include options to purchase the leased property. Leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize rental expense for these leases on a straight-line basis over the lease term.

Certain of our lease agreements include rental payments based on a percentage of revenue over contractual levels and others include rental payments adjusted periodically for inflation. Our lease agreements do not contain any material residual value guarantees or restrictive covenants that materially affect our business. In addition, we rent or sublease certain owned real estate to third parties. During the years ended December 31, 2023, 2022, and 2021, we recorded gross third-party tenant income of $2.6 million, $2.6 million, and $1.9 million, respectively, which were recorded in Other income, net in the Consolidated Statements of Operations.

Our right-of-use assets and related liabilities include renewal options reasonably certain to be exercised. We base our lease calculations on our estimated incremental borrowing rate. As of December 31, 2023 and 2022 our weighted average incremental borrowing rate was 4.8%.

During the years ended December 31, 2023, 2022, and 2021, the Company's total operating lease cost was $4.6 million, $4.1 million, and $3.3 million, respectively, and the operating cash outflows from operating leases was $4.0 million, $3.7 million, and $3.1 million, respectively. As of December 31, 2023 and 2022, the weighted average operating lease term was 32.2 and 34.0 years, respectively.

Operating lease maturities as of December 31, 2023 are as follows (in thousands):

For the Year Ended December 31,	Amount
2024	$ 2,264
2025	2,285
2026	2,239
2027	2,282
2028	2,124
Thereafter	35,831
Total lease payments [1]	47,025
Less interest	(21,183)
Total	$ 25,842

(1) Certain payments above include future increases to the minimum fixed rent based on the Consumer Price Index in effect at the initial measurement of the lease balances.

NOTE 8 — 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 seven 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.

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, 2023 and 2022 is as follows (dollar amounts in thousands):

Contract date	Effective Date	Expiration Date	Average Annual Effective Fixed Rate	Notional Amount December 31, 2023	Notional Amount December 31, 2022	Fair Value December 31, 2023	Fair Value December 31, 2022
Operating Partnership:							
October 2, 2017	January 29, 2018	January 31, 2023	1.96 %	$ —	$ 100,000	$ —	$ 208
October 2, 2017	January 29, 2018	January 31, 2023	1.98 %	—	100,000	—	210
June 11, 2018	September 28, 2018	September 30, 2024	2.86 %	75,000	75,000	1,170	2,219
June 11, 2018	December 31, 2018	December 31, 2025	2.92 %	125,000	125,000	2,877	4,211
July 26, 2022	January 31, 2023	January 31, 2027	2.60 %	100,000	100,000	3,134	4,366
July 26, 2022	January 31, 2023	January 31, 2029	2.56 %	100,000	100,000	4,273	5,627
Total Operating Partnership				400,000	600,000	11,454	16,841
GIC Joint Venture:							
March 24, 2023	July 1, 2023	January 13, 2026	3.35 %	100,000	—	1,254	—
March 24, 2023	July 1, 2023	January 13, 2026	3.35 %	100,000	—	1,250	—
Total GIC Joint Venture				200,000	—	2,504	—
Total				$ 600,000	$ 600,000	$ 13,958	$ 16,841

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, 2023 and 2022, all our interest rate swaps were in an asset position. Derivative assets related to our interest rate swaps are recorded in Other assets, and other and derivative liabilities (when applicable) are included in Accrued expenses and other in our Consolidated Balance Sheets. We are not required to post any collateral related to these agreements and are not in breach of any financial provisions of the agreements.

Changes in the fair value of the hedging instruments are deferred in Other comprehensive income (loss) and are reclassified to Interest expense in our Consolidated Statements of Operations in the period in which the hedged item affects earnings. In 2024, we estimate that an additional $10.1 million will be reclassified from Other comprehensive income and recorded as a decrease 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):

	For the Year Ended December 31, 2023	2022	2021
Gain recognized in Accumulated other comprehensive loss on derivative financial instruments	$ 8,677	$ 29,744	$ 5,631
Gain (loss) reclassified from Accumulated other comprehensive income to Interest expense	$ 11,561	$ (2,820)	$ (9,496)
Total interest expense and other finance expense presented in the Consolidated Statement of Operations in which the effects of cash flow hedges are recorded	$ 86,798	$ 65,581	$ 43,368

In January 2024, subsidiaries of the GIC Joint Venture that are the borrowers under the GIC Joint Venture Term Loan entered into a $100.0 million interest rate swap to fix one-month term SOFR until January 2026. The interest rate swaps have an effective date of October 1, 2024 and a termination date of January 13, 2026. Pursuant to the interest rate swaps, we will pay a fixed rate of 3.765% and receive the one-month term SOFR floating rate index.

NOTE 9 — EQUITY

Common Stock

The Company is authorized to issue up to 500,000,000 shares of common stock, $0.01 par value per share (the "Common Stock"). 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.

In May 2022, the Company and the Operating Partnership entered into an equity distribution agreement (the “Equity Distribution Agreement”) with a group of underwriters as sales agents for the Company, principals and/or, with certain exceptions, forward sellers (collectively the “Managers”) and certain banks as forward purchasers, providing for the offer and sale of shares of the Company’s Common Stock, having a maximum aggregate offering price of up to $200.0 million through or to the Managers, as the Company’s sales agents or, if applicable, as forward sellers, or directly to the Managers, as principals (the “2022 ATM Program”). To date, we have not sold any shares of our Common Stock under the 2022 ATM Program.

Changes in Common Stock during the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Beginning shares of Common Stock outstanding	106,901,576	106,337,724
Common Unit redemptions	28,179	12,664
Grants under the Equity Plan	875,055	735,371
Annual grants to independent directors	113,141	84,889
Performance share and other forfeitures	(140,549)	(8,272)
Shares retained for employee tax withholding requirements	(184,029)	(260,800)
Ending shares of Common Stock outstanding	107,593,373	106,901,576

At December 31, 2023 and 2022, the Company had reserved 50,774,173 and 51,650,000 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 2022 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 89,600,000 is currently undesignated, 6,400,000 shares have been designated as 6.25% Series E Cumulative Redeemable Preferred Stock (the "Series E Preferred Shares") and 4,000,000 shares have been designated as 5.875% Series F Cumulative Redeemable Preferred Stock (the "Series F Preferred Shares").

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 E Preferred Shares or Series F Preferred Shares prior to November 13, 2022 and August 12, 2026, 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 E preferred share is 3.1686 shares of Common Stock and each Series F preferred share is 5.8275 shares of common stock, all subject to certain adjustments.

The Company pays dividends at an annual rate of $1.5625 for each Series E Preferred Share and $1.46875 for each Series F Preferred Share. Dividend payments are made quarterly in arrears on or about the last day of February, May, August and November of each year.

NOTE 10 - NON-CONTROLLING INTERESTS AND REDEEMABLE NON-CONTROLLING INTERESTS

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. In January 2022 and March 2022, in connection with the NCI Transaction, the Company issued an aggregate of 15,864,674 Common Units as partial consideration for the purchase.

At December 31, 2023 and 2022, unaffiliated third parties owned 15,948,628 and 15,976,807, respectively, of Common Units of the Operating Partnership, representing approximately 13% of the Common Units of the Operating Partnership for each period.

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.

Non-controlling Interests in Joint Ventures

At December 31, 2023, the Company is a partner with a majority controlling equity interest in three consolidated joint ventures as described below.

GIC Joint Venture

In July 2019, the Company entered into the GIC Joint Venture to acquire assets that align with the Company's current investment strategy and criteria. The Company serves as general partner and asset manager of the GIC Joint Venture and invests 51% of the equity capitalization of the limited partnership, with GIC investing the remaining 49%. The Company earns fees for providing services to the GIC Joint Venture and has the potential to earn incentive fees based on the GIC Joint Venture achieving certain return thresholds. During the year ended December 31, 2023 and 2022, Summit earned $0.1 million and $0.8 million, respectively under incentive fee agreements. There were no such incentive fees earned during the year ended December 31, 2021.

As of December 31, 2023, the GIC Joint Venture owns 41 hotel properties containing 5,581 guestrooms in nine states. The GIC Joint Venture owns the properties through master real estate investment trusts ("Master REIT") and subsidiary REITs ("Subsidiary REIT"). All of the hotel properties owned by the GIC Joint Venture are leased to taxable REIT subsidiaries of the Subsidiary REITs ("Subsidiary REIT TRSs"). To qualify as a REIT, the Master REIT and each Subsidiary REIT must meet all REIT requirements provided in the IRC. Taxable income related to the Subsidiary REIT TRSs is subject to federal, state and local income taxes at applicable corporate tax rates.

Brickell Joint Venture

In June 2022, the Company entered into the Brickell Joint Venture to facilitate the exercise of the Initial Purchase Option to acquire a 90% equity interest in the AC/Element Hotel. Our joint venture partner, C-F Brickell, owns the remaining 10% equity interest in the Brickell Joint Venture. The Company has an option to purchase the remaining 10% equity interest in the Brickell Joint Venture from C-F Brickell in December 2026 pursuant to the exercise of a second purchase option at its market value on the exercise date. The Company serves as the managing member of the Brickell Joint Venture.

Onera Joint Venture

In October 2022, the Company entered into the Onera Joint Venture, developers of alternative accommodation properties, with the acquisition of a 90% equity interest in the Onera Joint Venture for $5.2 million in cash, plus additional contingent consideration of $1.8 million paid in September 2023. The $1.8 million contingent consideration paid represents our 90% pro rata share of the maximum increase in value of the property of $2.0 million as a result of the property outperforming a pre-established threshold over a 12-month period after the closing of the transaction.

The Onera Joint Venture owns a 100% fee simple interest in real property and improvements located in Fredericksburg, Texas (the "Onera Property") consisting an 11-unit glamping property and a 6.4-acre parcel of land.

Redeemable Non-controlling Interests

In January 2022, in connection with the NCI Transaction, Summit Hotel GP, LLC, a wholly-owned subsidiary of the Company and the sole general partner of the Operating Partnership, on its own behalf as general partner of the Operating Partnership and on behalf of the limited partners of the Operating Partnership, entered into the Tenth Amendment (the "Tenth Amendment") to the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, to provide for the issuance of up to 2,000,000 Series Z Preferred Units. The Series Z Preferred Units rank on a parity with the Operating Partnership's Series E and Series F Preferred Units and holders will receive quarterly distributions at a rate of 5.25% per year. From issuance until the tenth anniversary of their issuance, the Series Z Preferred Units will be redeemable at the holder's request at any time, or in connection with a change of control of the Company, for, at the Company's election, cash or shares of the Company's 5.25% Series Z Cumulative Perpetual Preferred Stock (which will be designated and authorized following notice of redemption by holder of the Series Z Preferred Units) on a one-for-one basis. After the fifth anniversary of their issuance, the Company may redeem the Series Z Preferred Units for cash at a redemption amount of $25 per unit. For a 90-day period immediately following both the tenth and the eleventh anniversaries of their issuance or in connection with a change of control of the Company, the Series Z Preferred Units will be redeemable at the holder's request for cash at a redemption amount of $25 per unit. In January 2022 and March 2022, in connection with the NCI Transaction, the Operating Partnership issued an aggregate of 2,000,000 Series Z Preferred Units as partial consideration for the purchase. At December 31, 2023, the redeemable Series Z Preferred Units issued in connection with the NCI Transaction are recorded as temporary equity and reflected as Redeemable non-controlling interests on our Consolidated Balance Sheets.

NOTE 11 — FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

The following table presents information about our financial instruments measured at fair value on a recurring basis as of December 31, 2023 and 2022. 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, 2023 using			
	Level 1	Level 2	Level 3	Total
Assets:				
Interest rate swaps	$ —	$ 13,958	$ —	$ 13,958
Purchase options related to real estate loans (Onera Purchase Option)	—	—	931	931

	Fair Value Measurement at December 31, 2022 using			
	Level 1	Level 2	Level 3	Total
Assets:				
Interest rate swaps	$ —	$ 16,841	$ —	$ 16,841

The Onera Purchase Option does not have a readily determinable fair value. The fair value was estimated using the Black-Scholes model and was based on unobservable inputs for which there is little or no market information available. As such, we were required to develop assumptions to determine the fair value of the Onera Purchase Option as follows (dollar amounts in thousands):

Exercise price	$	8,206
First option exercise date [(1)]		10/1/2024
Expected volatility		52.20 %
Risk free rate		4.15 %
Expected annualized equity dividend yield		— %

(1) The first option exercise date is the date used for estimating the fair value of the purchase option. The Onera Purchase Option is exercisable when the lodging development is fully constructed and open for business and expires one year from the date that it is initially exercisable.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the years ended December 31, 2023 or 2022.

Nonrecurring Fair Value Measurements

During the year ended December 31, 2023, the Company recorded a loss on write-down of lodging properties classified as Assets Held for Sale of $16.7 million to reduce the carrying amounts of the Hyatt Place - Dallas (Plano), TX and two additional lodging properties that are under contract to sell or being marketed for sale to their expected net selling prices less estimated costs to sell (Level 2 of the fair value hierarchy).

During the year ended December 31, 2022, the Company recorded a loss on write-down of lodging properties classified as Assets Held for Sale of $2.9 million to reduce the carrying amounts of the Hilton Garden Inn - Eden Prairie, MN, Holiday Inn Express & Suites - Minnetonka, MN, the Hyatt Place - Chicago (Hoffman Estates), IL and the Hyatt Place - Chicago (Lombard), IL to their net selling prices less estimated costs to sell (Level 2 of the fair value hierarchy).

During the year ended December 31, 2022, the Company recorded a loss on write-down of lodging properties classified as Assets Held for Sale of $7.2 million to reduce the carrying amounts of two lodging properties to their net selling prices less estimated costs to sell. The proposed sale of these two lodging properties was terminated during the year ended December 31, 2023 and the assets were reclassified out of Assets Held for Sale (Level 2 of the fair value hierarchy).

NOTE 12 — COMMITMENTS AND CONTINGENCIES

Franchise Agreements

All of our lodging properties (with the exception of the Onera Property and the Nordic Lodge - Steamboat Springs, CO) operate under franchise agreements with major hotel franchisors. The terms of our franchise agreements generally range from 10 to 30 years with various extension provisions. Each franchisor receives franchise fees ranging from 3% to 6% of each hotel property’s room revenues, 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 lodging property's gross or room revenues, depending on the franchisor, to ensure that we comply with the franchisor's standards and requirements. We also pay fees to our franchisors for services related to reservation and information systems. In 2023, 2022, and 2021, we expensed fees related to our franchise agreements of $52.6 million, $47.9 million, and $25.0 million, respectively.

Management Agreements

Our lodging properties operate pursuant to management agreements with various professional third-party management companies. The remaining terms of our management agreements range from month-to-month to 14 years and have various extension provisions. Each management company receives a base management fee, generally a percentage of total lodging 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. During the years ended December 31, 2023, 2022, and 2021, we expensed fees related to our lodging property management agreements of $18.5 million, $17.4 million, and $9.9 million, respectively.

Litigation

We are involved from time to time in litigation arising in the ordinary course of business. We are not currently aware of any actions against us that would have a material effect on our consolidated financial position or results of operations.

NOTE 13 — EQUITY-BASED COMPENSATION

Our currently outstanding equity-based awards were issued under the 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 currently have no outstanding stock options. We have outstanding equity-based awards in the form of restricted stock awards. All of our outstanding equity-based awards are classified as equity.

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

The following table summarizes time-based restricted stock activity under our Equity Plan for 2023 and 2022:

	Number of Shares	Weighted Average Grant Date Fair Value per Share	Aggregate Current Value
			(in thousands)
Non-vested December 31, 2021	605,470	$ 9.98	
Granted	316,643	9.83	
Vested	(259,037)	10.14	
Forfeited	(8,272)	10.01	
Non-vested December 31, 2022	654,804	9.85	
Granted	449,148	7.71	
Vested	(238,883)	8.04	
Forfeited	(3,356)	8.20	
Non-vested December 31, 2023	861,713	$ 8.79	$ 5,791

The awards granted to our non-executive employees prior to 2022 vest over a four-year period based on continuous service (20% on the first, second and third anniversary of the grant date and 40% on the fourth anniversary of the grant date). The awards granted to our non-executive employees in 2022 and thereafter vest over a three-year period based on continuous service (25% on the first and second anniversary of the grant date and 50% on the third anniversary of the grant date).

The awards granted to our executive officers vest over a three-year period based on continuous service (25% on the first and second anniversary of the grant date and 50% on the third anniversary of the grant date) or in certain circumstances upon a change in control.

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.

During the years ended December 31, 2023, 2022, and 2021, the total fair value of time-based restricted stock awards that vested was $3.6 million, $2.5 million and $5.3 million, respectively. The total fair value of time-based restricted stock awards that vested during the year ended December 31, 2022 includes $0.4 million of time-based restricted stock for which the vesting was accelerated related to the departure of our Executive Vice President and Chief Operating Officer. The total fair value of time-based restricted stock awards that vested during the year ended December 31, 2021 includes $1.5 million of time-based restricted stock for which the vesting was accelerated related to the non-renewal of the employment contract of our Executive Chairman.

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

The following table summarizes performance-based restricted stock activity under our Equity Plan:

	Number of Shares	Weighted Average Grant Date Fair Value per Share	Aggregate Current Value
			(in thousands)
Non-vested December 31, 2021	1,002,866	$ 11.92	
Granted	418,728	12.26	
Vested	(414,620)	12.81	
Non-vested December 31, 2022	1,006,974	11.76	
Granted	425,907	10.08	
Vested	(239,416)	9.38	
Forfeited	(137,193)	9.38	
Non-vested December 31, 2023	1,056,272	$ 11.93	$ 7,098

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 over a three-year period based on our total shareholder return relative to the total shareholder return of companies within the Dow Jones U.S. Hotels Index (or in the event such index is discontinued, or its methodology significantly changed, a comparable index selected by the Compensation Committee of the Board) at the end of the period 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:

	For the Year Ended December 31,		
	2023	2022	2021
Expected dividend yield	3.90 %	3.52 %	— %
Expected stock price volatility	67.6 %	65.4 %	63.7 %
Risk-free interest rate	4.66 %	1.77 %	0.34 %
Monte Carlo iterations	100,000	100,000	100,000
Weighted average estimated fair value of performance-based restricted stock awards	$ 10.08	$ 12.26	$ 14.05

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.

Director Stock Awards Made Pursuant to Our Equity Plan

During the years ended December 31, 2023 and 2022 we granted 113,141 and 84,899 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.

Equity-Based Compensation Expense

Equity-based compensation expense included in Corporate General and Administrative expense in the Consolidated Statements of Operations was as follows (in thousands):

	For the Year Ended December 31,		
	2023	2022	2021
Time-based restricted stock	$ 3,260	$ 2,860	$ 4,784
Performance-based restricted stock	3,727	4,784	5,314
Director stock	755	802	583
	$ 7,742	$ 8,446	$ 10,681

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 $8.9 million at December 31, 2023 as follows (in thousands):

	Total	2024	2025	2026
Time-based restricted stock	$ 4,077	$ 2,536	$ 1,334	$ 207
Performance-based restricted stock	4,831	2,914	1,654	263
	$ 8,908	$ 5,450	$ 2,988	$ 470

The Company's former Executive Vice President and Chief Operating Officer departed the Company in March 2022. The Company recorded $1.3 million of additional stock-based compensation expense during the period related to the modification of certain stock award agreements. This amount was comprised of $0.4 million related to time-based restricted stock awards and $0.9 million related to performance-based restricted stock awards.

In connection with the non-renewal of the employment contract of the former Executive Chairman in December 2021, the Company recorded $2.9 million of additional stock-based compensation expense during the year ended December 31, 2021 related to the modification of certain stock award agreements. This amount was comprised of $1.5 million related to time-based restricted stock awards and $1.4 million related to performance-based restricted stock awards.

NOTE 14 — BENEFIT PLANS

In August 2011, we initiated a qualified contributory retirement plan (the Summit Hotel Properties, Inc. 401(k) Profit Sharing Plan or 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 for the years ended December 31, 2023 and 2022 was $0.4 million in each year, and $0.3 million for the year ended December 31, 2021.

NOTE 15 — 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 stockholders. We have met the annual REIT distribution requirement by distribution of at least 90% of our taxable income to our stockholders.

Income related to our TRSs is subject to federal, state and local taxes at applicable corporate tax rates. Our consolidated tax provision includes the income tax provision related to the operations of the TRSs 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, 2023, 2022 and 2021 are as follows (in thousands):

	2023	2022	2021
Current:			
Federal	$ 1,151	$ 1,953	$ 1,036
State and local	1,563	1,717	456
Deferred:			
Federal	84	(59)	(19)
Income tax expense	$ 2,798	$ 3,611	$ 1,473

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 (in thousands):

	2023	2022	2021
Statutory federal income tax provision	$ (5,317)	$ 1,014	$ (14,093)
Nontaxable income of the REITs	4,563	1,124	16,812
State income taxes, net of federal tax benefit	1,158	1,644	891
Provision to return and deferred adjustment	50	81	—
Effect of permanent differences and other	235	246	99
Deferred assets transferred with REIT stock sale	—	730	—
Change in valuation allowance	2,109	(1,228)	(2,236)
Income tax provision	$ 2,798	$ 3,611	$ 1,473

The Company evaluates its deferred tax assets each reporting period to determine if it is more-likely-than-not that those assets will be realized. In its evaluation, the Company assesses available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the Company's existing deferred tax assets. At December 31, 2023, the Company continues to be in a three-year cumulative loss. As such, realizability of the Company's deferred tax assets is not reasonably assured. Therefore, a valuation allowance was recorded against substantially all of our deferred tax assets at December 31, 2023.

At December 31, 2023 and 2022, we had valuation allowances of $13.9 million and $11.8 million, respectively. The $2.1 million increase in valuation allowance relates to increases in deferred tax assets primarily due to a $1.8 million increase related to net operating losses.

Deferred tax assets are included in Other assets and deferred tax liabilities are included in Accrued expenses and other in the accompanying Consolidated Balance Sheets.

Significant components of our TRSs deferred tax assets (liabilities) are as follows (in thousands):

	December 31,	
	2023	2022
Tax carryforwards	$ 12,098	$ 10,312
Accrued expenses	1,634	1,421
Other	150	124
Total	13,882	11,857
Valuation allowance	(13,886)	(11,777)
Net deferred tax assets	$ (4)	$ 80
Gross deferred tax assets	$ 13,906	$ 11,883
Gross deferred tax liabilities	(24)	(26)
Valuation allowance	(13,886)	(11,777)
Net deferred tax (liabilities) assets	$ (4)	$ 80

At December 31, 2023, our TRSs had federal net operating losses of $46.2 million which are not subject to expiration and state net operating losses of $37.4 million, which expire beginning in 2025. At December 31, 2023, Summit Hotel Properties Inc. and our Subsidiary REITs had federal net operating loss carryforwards of $50.0 million and $6.3 million, respectively, which are not subject to expiration.

In the normal course of business, we are subject to examination by federal, state, and local jurisdictions where applicable. We had no unrecognized tax benefits at December 31, 2023 or in the three-year period then ended. We expect no significant increase or decrease in unrecognized tax benefits due to changes in tax positions within one year of December 31, 2023. We have no material interest or penalties relating to unrecognized tax benefits in the Consolidated Statements of Operations for the years ended December 31, 2023, 2022 or 2021 or in the Consolidated Balance Sheets as of December 31, 2023 or 2022.

We file U.S. and state income tax returns in jurisdictions with varying statutes of limitations. In general, we are not subject to tax examinations by tax authorities for years before 2018.

Characterization of Distributions (Unaudited)

For income tax purposes, distributions paid consist of ordinary income and capital gains or a combination thereof. For the years ended December 31, 2023, 2022 and 2021 distributions paid per share were characterized as follows:

	For the Year Ended December 31,					
	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Common Stock						
Ordinary non-qualified dividend income	$ 0.1940	88.19 %	$ 0.0471	58.82 %	$ —	— %
Ordinary qualified dividend income	0.0078	3.54 %	0.0106	13.26 %	—	— %
Capital gain distributions	—	— %	0.0223	27.92 %	—	— %
Return of capital	0.0182	8.27 %	—	— %	—	— %
Total	$ 0.2200	100.00 %	$ 0.0800	100.00 %	$ —	— %
Preferred Stock - Series D						
Ordinary non-qualified dividend income	$ —	— %	$ —	— %	$ —	— %
Capital gain distributions	—	— %	—	— %	—	— %
Return of capital	—	— %	—	— %	1.2228	100.00 %
Total	$ —	— %	$ —	— %	$ 1.2228	100.00 %
Preferred Stock - Series E						
Ordinary non-qualified dividend income	$ 1.3779	88.19 %	$ 0.9191	58.82 %	$ —	— %
Ordinary qualified dividend income	0.0553	3.54 %	0.2072	13.26 %	—	— %
Capital gain distributions	—	— %	0.4363	27.92 %	—	— %
Return of capital	0.1293	8.27 %	—	— %	1.5625	100.00 %
Total	$ 1.5625	100.00 %	$ 1.5625	100.00 %	$ 1.5625	100.00 %
Preferred Stock - Series F						
Ordinary non-qualified dividend income	$ 1.2952	88.19 %	$ 0.8639	58.82 %	$ —	— %
Ordinary qualified dividend income	0.0520	3.54 %	0.1947	13.26 %	—	— %
Capital gain distributions	—	— %	0.4101	27.92 %	—	— %
Return of capital	0.1215	8.27 %	—	— %	0.4406	100.00 %
Total	$ 1.4687	100.00 %	$ 1.4687	100.00 %	$ 0.4406	100.00 %

Ordinary non-qualified dividends are eligible for the 20% deduction provided by Section 199A of the IRC.

NOTE 16 — 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.

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, 2023, 2022 and 2021, we had unvested performance-based restricted stock awards of 1,056,272 shares, 1,006,974 shares and 1,002,866 shares, respectively, which were excluded from the denominator of the diluted earnings per share as the awards were antidilutive. Our outstanding convertible notes have been excluded from the denominator of the diluted earnings per share calculation as their inclusion would be antidilutive.

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

	For the Year Ended December 31,		
	2023	2022	2021
Numerator:			
Net (loss) income	$ (28,116)	$ 1,217	$ (68,584)
Adjusted for:			
Preferred dividends	(15,875)	(15,875)	(15,431)
Premium on redemption of preferred stock	—	—	(2,710)
Distributions and accretion of redeemable non-controlling interests	(2,626)	(2,520)	—
Loss attributable to non-controlling interest in Operating Partnership	3,803	2,570	115
Loss attributable to non-controlling interests in joint ventures	14,824	(2,321)	2,896
Loss from continuing operations attributable to common stockholders	$ (27,990)	$ (16,929)	$ (83,714)
Denominator:			
Weighted average common shares outstanding - basic and diluted	105,548	105,142	104,471
Loss per share:			
Basic and diluted	$ (0.27)	$ (0.16)	$ (0.80)

NOTE 17 — SUPPLEMENTAL CASH FLOW INFORMATION

We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. 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.

Supplemental cash flow information is as follows (in thousands):

	For the Year Ended December 31,		
	2023	2022	2021
Cash payments for interest	$ 78,886	$ 58,409	$ 37,509
Accrued acquisition costs and improvements to lodging properties	$ 4,219	$ 8,233	$ 3,399
Cash payments for income taxes, net of refunds	$ 2,674	$ 3,742	$ 557
Accrued and unpaid dividends	$ 185	$ 40	$ —
Mortgage debt assumed for acquisitions of lodging properties	$ —	$ 382,205	$ 13,267
Assumption of leases and other assets and liabilities in connection with the acquisition of a portfolio of properties	$ —	$ 9,206	$ —
Conversion of a mezzanine loan to complete acquisition of lodging properties	$ —	$ 29,875	$ —
Conversion of purchase option to complete acquisition of lodging properties	$ —	$ 2,800	$ —
Non-cash contributions of assets by non-controlling interests related to acquisition of lodging properties	$ 200	$ 7,724	$ —
Issuance of non-controlling interests in Operating Partnership to complete acquisition of a portfolio of properties	$ —	$ 157,513	$ —
Redeemable non-controlling interests in operating partnership issued to complete acquisition of a portfolio of properties	$ —	$ 50,000	$ —

NOTE 18 — SUBSEQUENT EVENTS

We have evaluated significant matters subsequent to our year end date of December 31, 2023 and through the filing date of our Annual Report on Form 10-K on February 28, 2024 as follows:

Equity Transactions

In January 2024, our Board declared cash dividends of $0.390625 per share of Series E Preferred Stock and $0.3671875 per share of Series F Preferred Stock. The Board also declared on behalf of the Operating Partnership, a cash dividend of $0.328125 per share of the Operating Partnership's Series Z Preferred Units. Our Board also declared a quarterly cash dividend of $0.06 per share on our Common Stock and per Common Unit of the Operating Partnership.

These dividends are payable February 29, 2024 to stockholders and unitholders of record on February 15, 2024.

Disposition of Lodging Property

During the fourth quarter of 2023, we entered into a purchase and sale agreement with a third-party to sell the 127-guestroom Hyatt Place Dallas (Plano), TX for $10.3 million. We reclassified the property to Assets Held for sale, net at December 31, 2023 and recorded a write-down of $4.0 million in the fourth quarter of 2023 for the excess of the net carrying amount of the lodging property over the net selling price less estimated costs to sell. We completed the sale of the property on February 15, 2024 under the terms described above.

Debt Refinancing

Subsequent to year-end, the Company successfully completed a new $200 million senior unsecured term loan financing that refinanced and replaced the 2018 Term Loan. The 2024 Term Loan has an initial maturity date of February 2027 and can be extended for two 12-month periods at the Company's option, subject to certain conditions, for a fully extended maturity date of February 2029. The 2024 Term Loan provides for interest rate pricing ranging from 135 basis points to 235 basis points over the applicable adjusted term SOFR or 35 basis points to 135 basis points over base rate, at the Company's option. Proceeds from the 2024 Term Loan financing and advances on our $400 Million Revolver were used to repay in full the Company's $225 million 2018 Term Loan that was scheduled to mature in February 2025. In connection with the closing of the 2024 Term Loan, the collateral securing the Company's 2023 Senior Credit Facility was released. As a result of the 2024 Term Loan financing, the Company has significantly reduced debt maturities until 2026 and has an average length to maturity of approximately 3.6 years. Other terms of the agreement are similar to the Company's 2023 Senior Credit Facility.

Interest Rate Swaps

In January 2024, subsidiaries of the GIC Joint Venture that are the borrowers under the GIC Joint Venture Term Loan entered into a $100.0 million interest rate swap to fix one-month term SOFR until January 2026. The interest rate swap has an effective date of October 1, 2024 and a termination date of January 13, 2026. Pursuant to the interest rate swap, we will pay a fixed rate of 3.765% and receive the one-month term SOFR floating rate index.

SUMMIT HOTEL PROPERTIES, INC
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2023
(in thousands)

		Initial Cost		Costs Subsequent	Gross Amount at December 31, 2023				
Description	Mortgage Debt/ Encumbrances	Land	Buildings, Improvements and Furniture, Fixtures and Equipment	Buildings, Improvements and Furniture, Fixtures and Equipment	Land	Buildings, Improvements and Furniture, Fixtures and Equipment	Total	Accumulated Depreciation	Date Acquired
Aliso Viejo, CA - Homewood Suites	$ —	$ 5,599	$ 32,367	$ 800	$ 5,599	$ 33,167	$ 38,766	$ (9,480)	2017
Amarillo, TX - Courtyard	—	269	18,561	692	269	19,253	19,522	(2,573)	2022
Amarillo, TX - Embassy Suites	—	657	38,456	829	657	39,285	39,942	(5,273)	2022
Arlington, TX - Courtyard	—	1,497	15,573	193	1,497	15,766	17,263	(6,064)	2012
Arlington, TX - Residence Inn	—	1,646	15,440	903	1,646	16,343	17,989	(6,129)	2012
Asheville, NC - Hotel Indigo	— (3)	2,100	34,755	3,056	2,100	37,811	39,911	(11,602)	2015
Atlanta, GA - AC Hotel	—	5,670	51,922	2,481	5,670	54,403	60,073	(13,884)	2017
Atlanta, GA - Courtyard	— (2)	2,050	27,969	3,426	2,050	31,395	33,445	(11,242)	2012
Atlanta, GA - Residence Inn	—	3,381	34,820	2,724	3,381	37,544	40,925	(8,868)	2016
Austin, TX - Hampton Inn & Suites	—	—	56,394	6,271	—	62,665	62,665	(17,855)	2014
Baltimore, MD - Hampton Inn & Suites	—	2,205	16,013	6,178	2,205	22,191	24,396	(6,754)	2017
Baltimore, MD - Residence Inn	—	1,986	37,016	7,202	1,986	44,218	46,204	(13,648)	2017
Boulder, CO - Marriott	—	11,115	49,204	13,035	11,115	62,239	73,354	(18,411)	2016
Branchburg, NJ - Residence Inn	—	2,374	24,411	(10,881)	2,374	13,530	15,904	(7,977)	2015
Brisbane, CA - DoubleTree	—	3,300	39,686	2,160	3,300	41,846	45,146	(19,220)	2014
Bryan, TX - Hilton Garden Inn	—	713	11,337	5	713	11,342	12,055	(1,634)	2022
Camarillo, CA - Hampton Inn & Suites	—	2,200	17,366	955	2,200	18,321	20,521	(8,873)	2013
Charlotte, NC - Courtyard	—	—	41,094	2,926	—	44,020	44,020	(11,955)	2017
Chicago, IL - Hyatt Place	— (3)	5,395	68,355	789	5,395	69,144	74,539	(18,819)	2016
Cleveland, OH - Residence Inn	—	10,075	33,340	3,814	10,075	37,154	47,229	(10,747)	2017
Dallas, TX - AC Hotel	—	1,330	31,379	396	1,330	31,775	33,105	(3,142)	2022
Dallas, TX - Hampton Inn & Suites	—	1,834	47,069	693	1,834	47,762	49,596	(4,462)	2022
Dallas, TX - Parking Garage	—	3,131	9,252	124	3,131	9,376	12,507	(483)	2022
Dallas, TX - Residence Inn	—	1,372	32,351	545	1,372	32,896	34,268	(3,228)	2022
Dallas, TX - SpringHill Suites	—	2,447	23,746	4,886	2,447	28,632	31,079	(1,790)	2022
Decatur, GA - Courtyard	—	4,046	34,151	4,403	4,046	38,554	42,600	(11,994)	2015
Eden Prairie, MN - Hilton Garden Inn	—	1,800	11,211	(13,011)	—	—	—	—	2013
Englewood, CO - Hyatt House	— (3)	2,700	16,267	1,758	2,700	18,025	20,725	(9,363)	2012
Englewood, CO - Hyatt Place	— (2)	2,000	11,950	4,849	2,000	16,799	18,799	(4,933)	2012
Fort Lauderdale, FL - Courtyard	—	37,950	47,002	7,251	37,950	54,253	92,203	(13,230)	2017
Fort Lauderdale, FL - New Builds	—	—	—	2,906	—	2,906	2,906	—	2017
Fort Worth, TX - Courtyard	—	1,920	38,070	10,950	1,920	49,020	50,940	(14,851)	2017
Fredericksburg, TX - Onera Escapes	—	1,251	5,209	3,607	1,638	8,429	10,067	(448)	2022
Frisco, TX - AC Hotel	— (3)	1,246	38,390	155	1,246	38,545	39,791	(4,259)	2022
Frisco, TX - Canopy Hotel	— (3)	1,109	38,531	91	1,109	38,622	39,731	(3,867)	2022
Frisco, TX - Parking Garage	—	2,470	6,563	20	2,470	6,583	9,053	(358)	2022
Frisco, TX - Residence Inn	—	1,246	38,390	108	1,246	38,498	39,744	(4,193)	2022

SUMMIT HOTEL PROPERTIES, INC
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2023
(in thousands)

Description	Mortgage Debt/ Encumbrances	Initial Cost		Costs Subsequent	Gross Amount at December 31, 2023				
		Land	Buildings, Improvements and Furniture, Fixtures and Equipment	Buildings, Improvements and Furniture, Fixtures and Equipment	Land	Buildings, Improvements and Furniture, Fixtures and Equipment	Total	Accumulated Depreciation	Date Acquired
Garden City, NY - Hyatt Place	—	4,200	27,775	593	4,282	28,286	32,568	(9,246)	2012
Glendale, CO - Staybridge Suites	— (1)	2,100	10,151	7,568	2,100	17,719	19,819	(4,296)	2011
Grapevine, TX - Courtyard	—	2,542	34,872	2,092	2,542	36,964	39,506	(5,254)	2022
Grapevine, TX - Hilton Garden Inn	—	986	33,137	152	986	33,289	34,275	(3,577)	2022
Grapevine, TX - Holiday Inn Express & Suites	—	1,419	13,810	556	1,419	14,366	15,785	(2,184)	2022
Grapevine, TX - Hyatt Place	—	1,318	18,740	884	1,318	19,624	20,942	(2,912)	2022
Grapevine, TX - TownePlace Suites	—	1,686	23,119	286	1,686	23,405	25,091	(3,281)	2022
Greenville, SC - Hilton Garden Inn	— (1)	1,200	14,566	3,291	1,200	17,857	19,057	(8,038)	2013
Hillsboro, OR - Residence Inn	— (3)	4,943	42,541	4,749	4,943	47,290	52,233	(7,949)	2019
Hoffman Estates, IL - Hyatt Place	—	1,900	8,917	(10,817)	—	—	—	—	2013
Houston, TX - AC Hotel	—	4,796	52,268	1,338	4,796	53,606	58,402	(5,059)	2022
Houston, TX - Hilton Garden Inn	—	—	41,838	4,859	—	46,697	46,697	(16,688)	2014
Houston, TX - Hilton Garden Inn	—	2,800	33,777	8,634	2,800	42,411	45,211	(10,822)	2014
Hunt Valley, MD - Residence Inn	—	—	35,436	2,296	1,076	36,656	37,732	(11,020)	2015
Indianapolis, IN - Courtyard	—	7,788	54,384	(1,075)	7,788	53,309	61,097	(17,856)	2013
Indianapolis, IN - SpringHill Suites	—	4,012	27,910	(200)	4,012	27,710	31,722	(9,644)	2013
Kansas City, MO - Courtyard	—	3,955	20,608	(1,290)	3,955	19,318	23,273	(6,038)	2017
Land Parcels - Land Parcels	—	4,645	—	(2,995)	1,650	—	1,650	—	0
Lombard, IL - Hyatt Place	—	1,550	17,351	(18,901)	—	—	—	—	2012
Lone Tree, CO - Hyatt Place	—	1,300	11,704	4,916	1,314	16,606	17,920	(4,666)	2012
Longview, TX - Hilton Garden Inn	— (2)	1,284	13,281	1,525	1,284	14,806	16,090	(1,679)	2022
Louisville, KY - Fairfield Inn & Suites	7,691 (2)	3,120	24,231	193	3,120	24,424	27,544	(8,936)	2013
Louisville, KY - SpringHill Suites	—	4,880	37,361	424	4,880	37,785	42,665	(13,979)	2013
Lubbock, TX - Hyatt Place	—	896	20,182	735	896	20,917	21,813	(2,709)	2022
Mesa, AZ - Hyatt Place	—	2,400	19,848	1,934	2,400	21,782	24,182	(6,841)	2017
Metairie, LA - Courtyard	—	1,860	25,168	8,231	1,860	33,399	35,259	(10,883)	2013
Metairie, LA - Residence Inn	— (1)	1,791	23,386	528	1,791	23,914	25,705	(12,867)	2013
Miami, FL - AC Hotel	—	8,496	46,839	283	8,496	47,122	55,618	(3,298)	2022
Miami, FL - Element	—	5,882	32,427	567	5,882	32,994	38,876	(2,324)	2022
Miami, FL - Hyatt House	—	4,926	40,087	3,013	4,926	43,100	48,026	(16,812)	2015
Miami, FL - Sky Lounge	—	—	1,473	129	—	1,602	1,602	(211)	2022
Midland, TX - Homewood Suites	—	1,717	22,326	634	1,717	22,960	24,677	(3,058)	2022
Milpitas, CA - Hilton Garden Inn	—	7,921	46,141	6,963	7,921	53,104	61,025	(8,939)	2019
Minneapolis, MN - Hampton Inn & Suites	13,032	3,502	35,433	722	3,502	36,155	39,657	(11,996)	2015
Minneapolis, MN - Hyatt Place	—	—	34,026	2,511	—	36,537	36,537	(12,159)	2013
Minnetonka, MN - Holiday Inn Express & Suites	—	1,000	7,662	(8,662)	—	—	—	—	2013
Nashville, TN - Courtyard	—	8,792	62,759	8,138	8,792	70,897	79,689	(19,982)	2016

SUMMIT HOTEL PROPERTIES, INC
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2023
(in thousands)

Description	Mortgage Debt/ Encumbrances	Initial Cost		Costs Subsequent	Gross Amount at December 31, 2023				
		Land	Buildings, Improvements and Furniture, Fixtures and Equipment	Buildings, Improvements and Furniture, Fixtures and Equipment	Land	Buildings, Improvements and Furniture, Fixtures and Equipment	Total	Accumulated Depreciation	Date Acquired
Nashville, TN - SpringHill Suites	—	777	5,598	1,788	777	7,386	8,163	(2,929)	2004
New Haven, CT - Courtyard	—	11,990	51,497	7,233	11,990	58,730	70,720	(13,144)	2017
New Orleans, LA - Canopy Hotel	—	4,262	51,406	344	4,262	51,750	56,012	(4,581)	2022
New Orleans, LA - Courtyard	—	1,944	25,120	3,875	1,944	28,995	30,939	(15,769)	2013
New Orleans, LA - Courtyard	—	2,490	34,220	2,149	2,490	36,369	38,859	(17,624)	2013
New Orleans, LA - SpringHill Suites	—	2,046	33,270	6,302	2,046	39,572	41,618	(19,281)	2013
New Orleans, LA - SpringHill Suites	—	963	12,763	251	963	13,014	13,977	(1,302)	2022
New Orleans, LA - TownePlace Suites	6,293 (2)	1,366	18,110	215	1,366	18,325	19,691	(1,826)	2022
Oklahoma City, OK - AC Hotel	—	2,769	29,389	244	2,769	29,633	32,402	(3,929)	2022
Oklahoma City, OK - Holiday Inn Express & Suites	—	2,542	21,574	545	2,542	22,119	24,661	(2,521)	2022
Oklahoma City, OK - Hyatt Place	—	2,822	25,311	144	2,822	25,455	28,277	(2,538)	2022
Orlando, FL - Hyatt House	—	2,800	34,423	614	2,800	35,037	37,837	(12,154)	2018
Orlando, FL - Hyatt Place	—	3,100	11,343	7,219	3,100	18,562	21,662	(4,933)	2013
Orlando, FL - Hyatt Place	—	2,716	11,221	6,998	2,716	18,219	20,935	(6,135)	2013
Owings Mills, MD - Hyatt Place	—	2,100	9,799	(11,899)	—	—	—	—	2012
Pittsburgh, PA - Courtyard	—	1,652	40,749	6,640	1,652	47,389	49,041	(12,502)	2017
Plano, TX - Hyatt Place	—	2,363	13,699	(3,752)	2,363	9,947	12,310	(2,412)	2022
Portland, OR - Hyatt Place	—	—	14,700	891	—	15,591	15,591	(6,989)	2009
Portland, OR - Residence Inn	—	—	15,629	831	—	16,460	16,460	(7,539)	2009
Portland, OR - Residence Inn	—	12,813	76,868	10,654	12,813	87,522	100,335	(10,951)	2019
Poway, CA - Hampton Inn & Suites	—	2,300	14,728	1,521	2,300	16,249	18,549	(6,869)	2013
San Francisco, CA - Four Points	—	1,200	21,397	4,778	1,200	26,175	27,375	(11,013)	2014
San Francisco, CA - Hilton Garden Inn	—	12,346	45,730	(58,076)	—	—	—	—	2019
San Francisco, CA - Holiday Inn Express & Suites	— (2)	15,545	49,469	4,707	15,545	54,176	69,721	(24,079)	2013
Scottsdale, AZ - Courtyard	—	3,225	12,571	3,998	3,225	16,569	19,794	(10,536)	2003
Scottsdale, AZ - Hyatt Place	—	1,500	10,171	302	1,500	10,473	11,973	(4,772)	2012
Scottsdale, AZ - Residence Inn	—	7,503	21,545	359	7,503	21,904	29,407	(682)	2023
Scottsdale, AZ - SpringHill Suites	—	2,195	9,496	1,930	2,195	11,426	13,621	(7,192)	2003
Silverthorne, CO - Hampton Inn & Suites	—	4,441	21,125	1,149	4,441	22,274	26,715	(3,855)	2019
Silverthorne, CO - Parking Garage	— (2)	2,404	—	2,045	2,404	2,045	4,449	—	2019
Steamboat Springs, CO - Nordic Lodge	— (1)	4,754	9,001	307	$ 4,754	9,308	14,062	(256)	2023
Steamboat Springs, CO - Residence Inn	— (1)	1,832	31,214	646	1,832	31,860	33,692	(3,439)	2021
Tampa, FL - Hampton Inn & Suites	— (1)	3,600	20,366	4,729	3,600	25,095	28,695	(10,593)	2012
Tucson, AZ - Embassy Suites	—	1,841	23,958	5,606	1,841	29,564	31,405	(2,930)	2021
Tucson, AZ - Homewood Suites	—	2,570	22,802	1,744	2,570	24,546	27,116	(7,531)	2017
Tyler, TX - Residence Inn	—	1,243	15,323	440	1,243	15,763	17,006	(2,606)	2022
Waltham, MA - Hilton Garden Inn		10,644	21,713	7,017	10,644	28,730	39,374	(9,337)	2017

SUMMIT HOTEL PROPERTIES, INC
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2023
(in thousands)

		Initial Cost		Costs Subsequent	Gross Amount at December 31, 2023				
Description	Mortgage Debt/ Encumbrances	Land	Buildings, Improvements and Furniture, Fixtures and Equipment	Buildings, Improvements and Furniture, Fixtures and Equipment	Land	Buildings, Improvements and Furniture, Fixtures and Equipment	Total	Accumulated Depreciation	Date Acquired
Watertown, MA - Residence Inn		25,083	45,917	527	25,083	46,444	71,527	(10,363)	
		$ 407,432	$ 3,042,359	$ 137,108	$ 385,300	$ 3,201,599	$ 3,586,899	$ (821,924)	

(1) Properties cross-collateralize the related loan, refer to "Part II – Item 8. – *Financial Statements and Supplementary Data – Note 6 – Debt*" in the Consolidated Financial Statements.
(2) Properties subject to ground lease, refer to "Part II – Item 8. – *Financial Statements and Supplementary Data – Note 7 – Leases*" in the Consolidated Financial Statements.
(3) Property value includes an impairment charge, based on the difference between the net realizable value and the carrying value at the time of measurement.

SUMMIT HOTEL PROPERTIES, INC
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2023
(in thousands)

(a) **ASSET BASIS**

	2023	2022	2021
Reconciliation of land, buildings and improvements:			
Balance at beginning of period as adjusted	$ 3,548,184	$ 2,638,549	$ 2,570,768
Additions to land, buildings and improvements	131,153	989,046	80,496
Disposition of land, buildings and improvements	(75,777)	(68,991)	(12,715)
Write-down of assets	(16,661)	(10,420)	—
Balance at end of period	$ 3,586,899	$ 3,548,184	$ 2,638,549

(b) **ACCUMULATED DEPRECIATION**

	2023	2022	2021
Reconciliation of accumulated depreciation:			
Balance at beginning of period	$ 716,646	$ 583,080	$ 490,326
Depreciation	146,083	145,491	105,462
Depreciation on assets sold or disposed	(40,805)	(11,925)	(12,708)
Balance at end of period	$ 821,924	$ 716,646	$ 583,080

(c) The aggregate cost of real estate for Federal income tax purposes was approximately $3,380 million (unaudited).

(d) Depreciation for buildings, improvements and furniture, fixtures and equipment is based on useful lives ranging from 2 to 40 years.

(e) We have mortgages payable on the properties as noted. Additional mortgage information can be found in "Part II – Item 8. – *Financial Statements and Supplementary Data – Note 6 – Debt*" to the Consolidated Financial Statements.

(f) Amounts under the column heading "Costs Subsequent" include (when applicable) parcels of undeveloped land that were sold, and impairment losses related to certain properties.

Exhibit 3.11

SUMMIT HOTEL PROPERTIES, INC.

ARTICLES SUPPLEMENTARY

Summit Hotel Properties, Inc., Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Under a power contained in Article VI of the charter of the Corporation (the "Charter"), the Board of Directors of the Corporation (the "Board of Directors"), by duly adopted resolutions, reclassified and designated all 5,000,000 authorized but unissued shares of the Corporation's 6.45% Series D Cumulative Redeemable Preferred Stock, $0.01 par value per share ("Series D Preferred Stock"), as shares of undesignated preferred stock, $0.01 par value per share (the "Preferred Stock"), of the Corporation, with the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption as set forth in the Charter. After giving effect to the foregoing reclassification, no shares of Series D Preferred Stock will be authorized, issued or outstanding.

SECOND: The shares of Series D Preferred Stock have been reclassified by the Board of Directors under the authority contained in the Charter.

THIRD: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law. The total number of authorized shares of stock of the Corporation will not change as a result of these Articles Supplementary.

FOURTH: The undersigned officer of the Corporation acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned officer acknowledges that, to the best of such officer's knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

-Signature Page Follows-

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed in its name and on its behalf by the undersigned officer and attested to by its Secretary on this 27th day of February, 2023.

ATTEST: SUMMIT HOTEL PROPERTIES, INC.

By:	/s/ Christopher R. Eng	By:	/s/ William H. Conkling
Name:	Christopher R. Eng	Name:	William H. Conkling
Title:	Secretary	Title:	Executive Vice President and Chief Financial Officer

Exhibit 4.2

DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934

As of December 31, 2023, Summit Hotel Properties, Inc., which is referred to herein as the Company, "we," "our" or "us," had three classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, as follows:

(i) common stock**,** $0.01 par value per share, or common stock, of which there were 107,593,373 outstanding, listed on the New York Stock Exchange, or the NYSE, under the trading symbol "INN";
(ii) 6.25% Series E Cumulative Redeemable Preferred Stock,$0.01 par value per share, or the Series E Preferred Stock, of which there were 6,400,000 outstanding, having an aggregate liquidation preference of $160,861,111, listed on the NYSE under the trading symbol "INN-PE";
(iii) 5.875% Series F Cumulative Redeemable Preferred Stock, $0.01 par value per share, or the Series F Preferred Stock, of which there were 4,000,000 outstanding, having an aggregate liquidation preference of $100,505,903, listed on the NYSE under the trading symbol "INN-PF";

Although the following summary describes the material terms of our authorized shares of common stock and preferred stock, and each class or series thereof, it is not a complete description of the Maryland General Corporation Law, or the MGCL, provisions applicable to a Maryland corporation or our charter and bylaws. This summary is qualified in its entirety by, and should be read in conjunction with, our charter, our bylaws and the MGCL. We have incorporated by reference our charter and bylaws as exhibits to the Annual Report on Form 10-K with which this exhibit was filed.

General

Our charter provides that we may issue up to 500,000,000 shares of common stock, $0.01 par value per share, and 100,000,000 shares of preferred stock, $0.01 par value per share, of which 6,400,000 shares have been classified as our Series E Preferred Stock and 4,000,000 shares have been classified as our Series F Preferred Stock. Our charter authorizes our board of directors, with the approval of a majority of the entire board of directors and without any action on the part of our stockholders, to amend our charter to increase or decrease the aggregate number of authorized shares of stock or the number of authorized shares of stock of any class or series. Under Maryland law, stockholders generally are not liable for a corporation's debts or obligations.

Common Stock

All outstanding shares of our common stock are duly authorized, validly issued, fully paid and nonassessable. Subject to the preferential rights of any other class or series of our stock, including our Series E Preferred Stock and our Series F Preferred Stock, and to the provisions of our charter regarding the restrictions on ownership and transfer of our stock, holders of shares of our common stock are entitled to receive dividends on such stock when, as and if authorized by our board of directors out of assets legally available therefor and declared by us and to share ratably in the assets of our company legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding up after payment of or adequate provision for all known debts and liabilities of our company.

Holders of shares of our common stock have no redemption, sinking fund, conversion, preemptive or appraisal rights with respect to our common stock. Subject to the provisions of our charter regarding the restrictions on ownership and transfer of stock, shares of our common stock have equal dividend, liquidation and other rights.

Subject to the provisions of our charter regarding the restrictions on ownership and transfer of our stock and except as may otherwise be specified in the terms of any class or series of stock, 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. There is no cumulative voting in the election of our directors, and directors are elected by a plurality of the votes cast in the election of directors. Consequently, at each annual meeting of stockholders, the holders of a majority of the outstanding shares of our common stock can elect all of the directors then standing for election, and the holders of the remaining shares will not be able to elect any directors.

Our board of directors has adopted a policy pursuant to which at any meeting of stockholders at which members of the board of directors are to be elected by the stockholders in an uncontested election, any nominee for director who receives a greater number of votes "against" from his or her election than votes "for" his or her election must submit to our board of directors a written offer to resign from our board of directors no later than two weeks after the certification of the voting results. The Nominating and Corporate Governance Committee of our board of directors will consider any such resignation offer and, within 60 days after the certification of the voting results, recommend to our board of directors whether to accept or reject the resignation offer. Our board of directors will act on the committee's recommendation, which will not be binding, no later than 90 days after the certification of the voting results.

Our common stock is traded on the NYSE under the symbol "INN." The transfer agent and registrar for our common stock is Broadridge Corporate Issuer Solutions, Inc.

Series E Preferred Stock

General. The outstanding shares of our Series E Preferred Stock are validly issued, fully paid and nonassessable and are listed on the NYSE under the symbol "INN-PE." Our board of directors may, without notice to or the consent of holders of Series E Preferred Stock, authorize the issuance and sale of additional Series E Preferred Stock from time to time. For purposes of this section "Series E Preferred Stock": (1) the term "Parity Stock" means the Series F Preferred Stock and any class or series of our capital stock expressly designated as ranking on a parity with the Series E Preferred Stock as to distribution rights and rights upon our liquidation, dissolution or winding up; (2) the term "Junior Stock" means any class or series of our capital stock expressly designated as ranking junior to the Series E Preferred Stock as to distribution rights and rights upon our liquidation, dissolution or winding up; and (3) terms that are defined in this section have such meanings in this section only.

Ranking. The Series E Preferred Stock, with respect to distribution rights and rights upon our liquidation, dissolution or winding up, ranks:

- senior to our common stock and Junior Stock;
- on a parity with our Parity Stock; and
- junior to any class or series of our capital stock expressly designated as ranking senior to the Series E Preferred Stock as to distribution rights and rights upon our liquidation, dissolution or winding up.

Dividends. Holders of Series E Preferred Stock are entitled to receive cumulative cash dividends on the Series E Preferred Stock at the rate of 6.250% per annum of the $25.00 per share liquidation preference, which is equivalent to $1.5625 per annum per share. Dividends on the Series E Preferred Stock are payable quarterly in arrears on or about the last day of February, May, August and November of each year. The first dividend on the Series E Preferred Stock was paid on December 15, 2017 in the amount of $0.06944 per share.

No maturity. The Series E Preferred Stock has no maturity date, and we are not required to redeem the Series E Preferred Stock. In addition, we are not required to set aside assets to redeem the Series E Preferred Stock. Accordingly, the shares of Series E Preferred Stock will remain outstanding indefinitely unless we decide to redeem them or, under circumstances where the holders of Series E Preferred Stock have a conversion right, such holders decide to convert their shares.

Optional redemption. We were prohibited from redeeming the Series E Preferred Stock prior to November 13, 2022, except as described below under "Special Optional Redemption" and in limited circumstances relating to maintaining our qualification as a REIT. As of November 13, 2022, we may, at our option, redeem the Series E Preferred Stock, in whole, at any time, or in part, from time to time, by paying $25.00 per share, plus any accrued and unpaid dividends (whether or not declared) to, but not including, the date of redemption

Special optional redemption. In the event of a Change of Control (as defined below), we may, at our option, exercise our special optional redemption right to redeem the Series E Preferred Stock, in whole or in part within 120 days after the first date on which such Change of Control occurred, by paying $25.00 per share, plus any accrued and unpaid dividends (whether or not declared) to, but not including, the date of redemption. To the extent that we exercise our redemption right relating to the Series E Preferred Stock, the holders of Series E Preferred Stock will not be permitted to exercise the conversion right described below in respect of their shares called for redemption.

A "Change of Control" is when, after the original issuance of the Series D Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our capital stock entitling that person to exercise more than 50% of the total voting power of all shares of our capital stock entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (American Depository Receipts, or ADRs, representing such common securities) listed on the NYSE, the NYSE American or Nasdaq, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American or Nasdaq.

Conversion rights. Except to the extent that we have elected to exercise our optional redemption right or our special optional redemption right by providing a notice of redemption prior to the Change of Control Conversion Date, upon the occurrence of a Change of Control, each holder of Series E Preferred Stock will have the right to convert some or all of the Series E Preferred Stock held by such holder on the Change of Control Conversion Date into a number of shares of our common stock per share of Series E Preferred Stock to be converted equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the $25.00 liquidation preference plus the amount of any accrued and unpaid dividends to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series E Preferred Stock dividend payment and prior to the corresponding Series E Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Stock Price; and
- 3.1686 (i.e., the Share Cap), subject to certain adjustments; subject, in each case, to provisions for the receipt of alternative consideration upon conversion as described more fully in our charter.

If we have provided a redemption notice with respect to some or all of the Series E Preferred Stock, holders of any Series E Preferred Stock that we have called for redemption will not be permitted to exercise their Change of Control Conversion Right in respect of any of their shares of Series E Preferred Stock that have been called for redemption, and any Series E Preferred Stock subsequently called for redemption that has been tendered for
conversion will be redeemed on the applicable date of redemption instead of converted on the Change of Control Conversion Date.

For definitions of "Change of Control Conversion Right," "Change of Control Conversion Date" and "Common Stock Price" and for a description of the adjustments and provisions for the receipt of alternative consideration that may be applicable to the Change of Control Conversion Right, refer to the articles supplementary designating the Series E Preferred Stock, which we have incorporated by reference as an exhibit to our Annual Report on Form 10-K with which this exhibit was filed.

Except as provided above in connection with a Change of Control, the Series E Preferred Stock is not convertible into or exchangeable for any other securities or property.

Liquidation preference. In the event of our liquidation, dissolution or winding up, the holders of Series E Preferred Stock will be entitled to be paid out of our assets legally available for distribution to our stockholders a liquidation preference in cash or property, at fair market value as determined by our board of directors, of $25.00 per share, plus any accrued and unpaid dividends (whether or not declared) to, but not including, the date of the payment. Holders of Series E Preferred Stock will be entitled to receive this liquidating distribution before we distribute any assets to holders of our common stock and any other class or series of Junior Stock.

Voting rights. Holders of Series E Preferred Stock generally have no voting rights. However, if we do not pay dividends on the Series E Preferred Stock for six quarterly periods, whether or not consecutive, the holders of Series E Preferred Stock, voting together as a single class with the holders of our Parity Stock having similar voting rights, including the Series F Preferred Stock, will be entitled to vote for the election of two additional directors to serve on our Board of Directors until we pay all dividends which we owe on the Series E Preferred Stock. The affirmative vote of the holders of at least two-thirds of the outstanding shares of Series E Preferred Stock, voting together as a single class with the holders of any other class or series of our preferred stock upon which like voting rights have been conferred and are exercisable (currently the Series F Preferred Stock), is required for us to authorize, create or increase the number of shares of any class or series of our capital stock expressly designated as ranking senior to the Series E Preferred Stock as to distribution rights and rights upon our liquidation, dissolution or winding up. In addition, the affirmative vote of at least two-thirds of the outstanding shares of Series E Preferred Stock (voting as a separate class) is required to amend our charter (including the articles supplementary designating the Series E Preferred Stock) in a manner that materially and adversely affects the rights of the holders of Series E Preferred Stock.

Among other things, we may, without any vote of the holders of Series E Preferred Stock, issue additional shares of Series E Preferred Stock and we may authorize and issue additional shares of any class or series of our Junior Stock or our Parity Stock, including the Series F Preferred Stock.

Information rights. During any period in which we are not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act and any Series E Preferred Stock is outstanding, we will (i) transmit by mail or other permissible means under the Exchange Act to all holders of Series E Preferred Stock as their names and addresses appear in our record books and without cost to such holders, copies of the Annual Report on Form 10-K and Quarterly Reports on Form 10-Q that we would have been required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required) and (ii) within 15 days following written request, supply copies of such reports to any prospective holder of the Series E Preferred Stock. We will mail (or otherwise provide) the reports to the holders of Series E Preferred Stock within 15 days after the respective dates by which we would have been required to file such reports with the SEC if we were subject to Section 13 or Section 15(d) of the Exchange Act.

Restrictions on ownership and transfer. Our charter, subject to certain exceptions, prohibits any person from directly or indirectly owning more than 9.8% by value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock, including the Series E Preferred Stock. These provisions may limit the ability of the holders of Series E Preferred Stock to convert their Series E Preferred Stock into our common stock. Our board of directors may, in its sole discretion, exempt a person from the 9.8% ownership limit under certain circumstances.

Transfer agent. The transfer agent for the Series E Preferred Stock is Broadridge Financial Solutions, Inc.

Series F Preferred Stock

General. The outstanding shares of our Series F Preferred Stock are validly issued, fully paid and nonassessable and are listed on the NYSE under the symbol "INN-PE." Our board of directors may, without notice to or the consent of holders of Series F Preferred Stock, authorize the issuance and sale of additional Series F Preferred Stock from time to time. For purposes of this section "Series F Preferred Stock": (1) the term "Parity Stock" means the Series E Preferred Stock and any class or series of our capital stock expressly designated as ranking on a parity with the Series F Preferred Stock as to distribution rights and rights upon our liquidation, dissolution or winding up; (2) the term "Junior Stock" means any class or series of our capital stock expressly designated as ranking junior to the Series F Preferred Stock as to distribution rights and rights upon our liquidation, dissolution or winding up; and (3) terms that are defined in this section have such meanings in this section only.

Ranking. The Series F Preferred Stock, with respect to distribution rights and rights upon our liquidation, dissolution or winding up, ranks:

- senior to our common stock and Junior Stock;
- on a parity with our Parity Stock; and
- junior to any class or series of our capital stock expressly designated as ranking senior to the Series F Preferred Stock as to distribution rights and rights upon our liquidation, dissolution or winding up.

Dividends. Holders of Series F Preferred Stock are entitled to receive cumulative cash dividends on the Series F Preferred Stock at the rate of 5.875% per annum of the $25.00 per share liquidation preference, which is equivalent to $1.46875 per annum per share. Dividends on the Series F Preferred Stock are payable quarterly in arrears on or about the last day of February, May, August and November of each year. The first dividend on the Series F Preferred Stock was paid on November 30, 2021 in the amount of $0.440625 per share.

No maturity. The Series F Preferred Stock has no maturity date, and we are not required to redeem the Series F Preferred Stock. In addition, we are not required to set aside assets to redeem the Series F Preferred Stock. Accordingly, the shares of Series F Preferred Stock will remain outstanding indefinitely unless we decide to redeem them or, under circumstances where the holders of Series E Preferred Stock have a conversion right, such holders decide to convert their shares.

Optional redemption. We may not redeem the Series F Preferred Stock prior to August 12, 2026, except as described below under "Special Optional Redemption" and in limited circumstances relating to maintaining our qualification as a REIT. On and after August 12, 2026, we may, at our option, redeem the Series F Preferred Stock, in whole, at any time, or in part, from time to time, by paying $25.00 per share, plus any accrued and unpaid dividends (whether or not declared) to, but not including, the date of redemption

Special optional redemption. In the event of a Change of Control (as defined below), we may, at our option, exercise our special optional redemption right to redeem the Series F Preferred Stock, in whole or in part within 120 days after the first date on which such Change of Control occurred, by paying $25.00 per share, plus any accrued and unpaid dividends (whether or not declared) to, but not including, the date of redemption. To the extent that we exercise our redemption right relating to the Series F Preferred Stock, the holders of Series F Preferred Stock will not be permitted to exercise the conversion right described below in respect of their shares called for redemption.

A “Change of Control” is when, after the original issuance of the Series F Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a “person” under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our capital stock entitling that person to exercise more than 50% of the total voting power of all shares of our capital stock entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (American Depository Receipts, or ADRs, representing such common securities) listed on the NYSE, the NYSE American or Nasdaq, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American or Nasdaq.

Conversion rights. Except to the extent that we have elected to exercise our optional redemption right or our special optional redemption right by providing a notice of redemption prior to the Change of Control Conversion Date, upon the occurrence of a Change of Control, each holder of Series F Preferred Stock will have the right to convert some or all of the Series F Preferred Stock held by such holder on the Change of Control Conversion Date into a number of shares of our common stock per share of Series F Preferred Stock to be converted equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the $25.00 liquidation preference plus the amount of any accrued and unpaid dividends to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series F Preferred Stock dividend payment and prior to the corresponding Series F Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Stock Price; and
- 5.8275 (i.e., the Share Cap), subject to certain adjustments; subject, in each case, to provisions for the receipt of alternative consideration upon conversion as described more fully in our charter.

If we have provided a redemption notice with respect to some or all of the Series F Preferred Stock, holders of any Series F Preferred Stock that we have called for redemption will not be permitted to exercise their Change of Control Conversion Right in respect of any of their shares of Series F Preferred Stock that have been called for redemption, and any Series F Preferred Stock subsequently called for redemption that has been tendered for conversion will be redeemed on the applicable date of redemption instead of converted on the Change of Control Conversion Date.

For definitions of “Change of Control Conversion Right,” “Change of Control Conversion Date” and “Common Stock Price” and for a description of the adjustments and provisions for the receipt of alternative consideration that may be applicable to the Change of Control Conversion Right, refer to the articles supplementary designating the Series F Preferred Stock, which we have incorporated by reference as an exhibit to our Annual Report on Form 10-K with which this exhibit was filed.

Except as provided above in connection with a Change of Control, the Series F Preferred Stock is not convertible into or exchangeable for any other securities or property.

Liquidation preference. In the event of our liquidation, dissolution or winding up, the holders of Series F Preferred Stock will be entitled to be paid out of our assets legally available for distribution to our stockholders a liquidation preference in cash or property, at fair market value as determined by our board of directors, of $25.00 per share, plus any accrued and unpaid dividends (whether or not declared) to, but not including the date of the payment. Holders of Series F Preferred Stock will be entitled to receive this liquidating distribution before we distribute any assets to holders of our common stock and any other class or series of Junior Stock.

Voting rights. Holders of Series F Preferred Stock generally have no voting rights. However, if we do not pay dividends on the Series F Preferred Stock for six quarterly periods, whether or not consecutive, the holders of Series F Preferred Stock, voting together as a single class with the holders of our Parity Stock having similar voting rights, including the Series E Preferred Stock, will be entitled to vote for the election of two additional directors to serve on our Board of Directors until we pay all dividends which we owe on the Series F Preferred Stock. The affirmative vote of the holders of at least two-thirds of the outstanding shares of Series F Preferred Stock, voting together as a single class with the holders of any other class or series of our preferred stock upon which like voting rights have been conferred and are exercisable (currently the Series E Preferred Stock), is required for us to authorize, create or increase the number of shares of any class or series of our capital stock expressly designated as ranking senior to the Series F Preferred Stock as to distribution rights and rights upon our liquidation, dissolution or winding up. In addition, the affirmative vote of at least two-thirds of the outstanding shares of Series F Preferred Stock (voting as a separate class) is required to amend our charter (including the articles supplementary designating the Series F Preferred Stock) in a manner that materially and adversely affects the rights of the holders of Series F Preferred Stock.

Among other things, we may, without any vote of the holders of Series F Preferred Stock, issue additional shares of Series F Preferred Stock and we may authorize and issue additional shares of any class or series of our Junior Stock or our Parity Stock, including the Series E Preferred Stock.

Information rights. During any period in which we are not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act and any Series F Preferred Stock is outstanding, we will (i) transmit by mail or other permissible means under the Exchange Act to all holders of Series F Preferred Stock as their names and addresses appear in our record books and without cost to such holders, copies of the Annual Report on Form 10-K and Quarterly Reports on Form 10-Q that we would have been required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required) and (ii) within 15 days following written request, supply copies of such reports to any prospective holder of the Series F Preferred Stock. We will mail (or otherwise provide) the reports to the holders of Series F Preferred Stock within 15 days after the respective dates by which we would have been required to file such reports with the SEC if we were subject to Section 13 or Section 15(d) of the Exchange Act.

Restrictions on ownership and transfer. Our charter, subject to certain exceptions, prohibits any person from directly or indirectly owning more than 9.8% by value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock, including the Series F Preferred Stock. These provisions may limit the ability of the holders of Series F Preferred Stock to convert their Series F Preferred Stock into our common stock. Our board of directors may, in its sole discretion, exempt a person from the 9.8% ownership limit under certain circumstances.

Transfer agent. The transfer agent for the Series F Preferred Stock is Broadridge Financial Solutions, Inc.

Execution Copy

CREDIT AGREEMENT

Dated as of February 26, 2024

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,

REGIONS BANK,
as Administrative Agent,

with

CAPITAL ONE, NATIONAL ASSOCIATION,
as Syndication Agent,

U.S. BANK NATIONAL ASSOCIATION,
RAYMOND JAMES BANK
and
TRUIST BANK
as Co-Documentation Agents

REGIONS CAPITAL MARKETS,
CAPITAL ONE, NATIONAL ASSOCIATION,
U.S. BANK NATIONAL ASSOCIATION,
RAYMOND JAMES BANK
and
TRUIST SECURITIES, INC.,
as Joint Lead Arrangers

REGIONS CAPITAL MARKETS
and
CAPITAL ONE, NATIONAL ASSOCIATION,
as Joint Bookrunners

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

CREDIT AGREEMENT

CREDIT AGREEMENT dated as of February 26, 2024 (as it may be amended, modified, renewed, restated, replaced or extended pursuant to the terms hereof, 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***"), and REGIONS BANK, as administrative agent (together with any successor administrative agent appointed pursuant to Article VIII, the "***Administrative Agent***") for the Lenders (as hereinafter defined).

RECITALS

WHEREAS, the Borrower, the Guarantors, the Administrative Agent and certain other parties are party to the 2018 Term Loan Agreement (as defined below); and

WHEREAS, the Borrower has requested that the Lenders provide, and the Lenders have agreed to provide, a term loan facility to the Borrower on the terms and conditions set forth herein in order to, *inter alia*, refinance, in part, the term loan facility provided to the Borrower pursuant to the 2018 Term Loan Agreement.

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

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. 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):

"***2018 Term Loan Agreement***" means the First Amended and Restated Credit Agreement dated as of February 15, 2018 among the Borrower, as borrower, the lenders named therein and KeyBank National Association, in its capacity as administrative agent, as amended, amended and restated, supplemented, modified or refinanced prior to the Closing Date.

"***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 Administrative Agent 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 Daily SOFR***" means, for any determination date, the sum of (i) Daily Simple SOFR and (ii) the SOFR Adjustment; *provided* that if Adjusted Daily SOFR as so determined would otherwise be less than 0.00% per annum, Adjusted Daily SOFR shall be deemed to be 0.00% per annum.

"***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 Administrative Agent pursuant to Section 5.03(b) or (c), as the case may be.

"***Adjusted Term SOFR***" means, for any determination date, the sum of (i) Term SOFR and (ii) the SOFR Adjustment; *provided* that if Adjusted Term SOFR as so determined would otherwise be less than 0.00% per annum, Adjusted Term SOFR shall be deemed to be 0.00% per annum.

"***Administrative Agent***" has the meaning specified in the first paragraph of this Agreement.

"***Administrative Agent's Account***" means the account of the Administrative Agent maintained by the Administrative Agent at its office at Regions Bank, 1900 5th Avenue, Birmingham, Alabama 35203, ABA # 062005690, Account 102450006082, Account Name: Syndications Wire Clearing, Attn: Syndicate Services, or such other account as the Administrative Agent shall specify in writing to the Lenders.

"***Advance***" has the meaning specified in Section 2.01(b).

"***Affected Financial Institution***" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"***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.

"***Agent Parties***" has the meaning specified in Section 9.02(c).

"***Agreement***" has the meaning specified in the first paragraph of 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 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 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.

"***Anti-Corruption Laws***" shall mean all laws, rules, and regulations of any jurisdiction applicable to the Borrower, the Parent Guarantor or their Subsidiaries from time to time concerning or relating to bribery, corruption or money laundering including, without limitation, the United Kingdom Bribery Act of 2010 and the United States Foreign Corrupt Practices Act of 1977, as amended.

"***Applicable Law***" means, as to any Person, all applicable Laws binding upon such Person or to which such a Person is subject.

"***Applicable Lending Office***" means, with respect to each Lender, such Lender's Domestic Lending Office.

"***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 SOFR Advances
I	< 3.5:1.0	0.35%	1.35%
II	≥ 3.5:1.0, but < 4.0:1.0	0.40%	1.40%
III	≥ 4.0:1.0, but < 4.5:1.0	0.50%	1.50%
IV	≥ 4.5:1.0, but < 5.0:1.0	0.60%	1.60%
V	≥ 5.0:1.0, but < 5.5:1.0	0.70%	1.70%
VI	≥ 5.5:1.0, but < 6.0:1.0	0.90%	1.90%
VII	≥ 6.0:1.0, but < 6.5:1.0	1.10%	2.10%
VIII	≥ 6.5:1.0	1.35%	2.35%

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 SOFR 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 VI on the Closing Date, (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) [intentionally omitted], and (d) the Applicable Margin shall be at Pricing Level VII 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.

"***Applicable Ownership Percentage***" means (i) for each Unencumbered Asset owned by the Borrower or a wholly owned Subsidiary (direct or indirect) of the Borrower, 100% and (ii) for each Unencumbered Asset owned by a Subsidiary of the Borrower that is not wholly owned (directly or indirectly) by the Borrower, the greater of (a) the Borrower's relative nominal direct and indirect ownership interest (expressed as a percentage) in such Subsidiary or (b) the Borrower's relative direct and indirect economic interest (calculated as a percentage) in such Subsidiary, 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 Guarantor.

"***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 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 (i) in form and substance reasonably satisfactory to the Administrative Agent or (ii) substantially similar, in form and substance, to the management agreements entered into by the Loan Parties in effect as of the Closing Date. 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.

"***Arrangers***" means Regions Capital Markets, Capital One, National Association, U.S. Bank National Association, Raymond James and Truist Securities, Inc., as joint lead arrangers.

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

"***Assignment and Acceptance***" means an assignment and acceptance entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 9.07), 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 5.00%, in each case for the consecutive four fiscal quarters

most recently ended for which financial statements are required to be delivered to the Administrative Agent pursuant to Section 5.03(b) or (c), as the case may be.

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

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

"***Bankruptcy 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***" a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate *plus* 1/2 of 1.00%, (b) the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its "prime rate," (c) SOFR published on such day on the Federal Reserve Bank of New York's website (or any successor source) *plus* 1.00% and (d) 1.00%. The "prime rate" is a rate set by the Administrative Agent based upon various factors including the Administrative Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change. If the Base Rate is being used as an alternate rate of interest pursuant to Section 2.19 hereof, then the Base Rate shall be the greater of clauses (a), (b) and (d) above and shall be determined without reference to clause (c) above.

"***Base Rate Advance***" means an Advance that bears interest as provided in Section 2.07(a)(i).

"***Beneficial Ownership Certification***" means, if the Borrower qualifies as a "legal entity customer" within the meaning of the Beneficial Ownership Regulation, a certification of beneficial ownership as required by the Beneficial Ownership Regulation.

"***Beneficial Ownership Regulation***" means 31 C.F.R. § 1010.230, as amended.

"***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".

"***BHC Act Affiliate***" has the meaning specified in Section 9.18(b).

"***Bookrunners***" means Regions Capital Markets and Capital One, National Association, as joint bookrunners.

"***Borrower***" has the meaning specified in the first paragraph of this Agreement.

"***Borrower Materials***" has the meaning specified in Section 9.11.

"***Borrowing***" means a borrowing consisting of simultaneous 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 New York City.

"***Capitalization Rate***" means (i) 7.25% for any Assets located in the central business districts of New York, Washington D.C., San Francisco, Boston, Chicago, Los Angeles, San Diego or Miami, 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 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 in Law***" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued or implemented.

"***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 the date hereof.

"***Closing Authorizing Resolution***" has the meaning specified in Section 3.01(a)(v).

"***CME***" means CME Group Benchmark Administration Limited.

"***Commitment Date***" has the meaning specified in Section 2.17(b).

"***Commitment Increase***" has the meaning specified in Section 2.17(a).

"***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.

"***Communications***" means each notice, demand, communication, information, document, amendment, approval, consent, information, certificate, request, statement, disclosure or authorization related to any Loan 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, for the avoidance of doubt, all electronic communications permitted by Section 9.02(b).

"***Conforming Changes***" means with respect to the use, administration of or any conventions associated with SOFR or any proposed Successor Rate or Term SOFR, as applicable, any conforming changes to the definitions of "Base Rate", "SOFR", "Daily Simple SOFR", "Term SOFR" and "Interest Period", timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of "Business Day" and "U.S. Government Securities Business Day", timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent in consultation with the Borrower, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as

the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

"***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-cash charges (including one-time non-cash impairment charges) in such period to the extent that such non-cash charges 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-cash charges (including one-time non-cash impairment charges) in such period to the extent that such non-cash 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 a Hotel Asset that shall be repositioned 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 Administrative Agent 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) cash 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 Consolidated 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.

"***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.

"***Covered Entity***" has the meaning specified in Section 9.18(b).

"***Covered Party***" has the meaning specified in Section 9.18(a).

"***Customary Carve-Out Agreement***" has the meaning specified in the definition of Non-Recourse Debt.

"***Daily Simple SOFR***" means, with respect to any applicable determination date, SOFR published on such date on the Federal Reserve Bank of New York's website (or any successor source).

"***Daily SOFR Advance***" means an Advance that bears interest at a rate based on Daily Simple SOFR.

"***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 Administrative Agent 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) hereof.

"***Defaulting Lender***" means, subject to Section 9.10(b), any Lender that (a) has failed to (i) to comply with its obligations under this Agreement to make an Advance within two Business Days of the date any such Advance 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 such 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 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 an Advance 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.

"***Designated Jurisdiction***" means any country or territory to the extent that such country or territory itself is the subject of any Sanctions.

"***Designated Person***" shall have 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.

"***Division***" and "***Divide***" each refer to a division of a limited liability company into two or more newly formed or existing limited liability companies pursuant a plan of division or otherwise.

"***Domestic Lending Office***" means, with respect to any Lender, the office of such Lender 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, as the case may be, or such other office of such Lender as such Lender 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.

"***Electronic Copy***" shall have the meaning specified in Section 9.08.

"***Electronic Record***" and "***Electronic Signature***" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

"***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 an Event of 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, or holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a 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; *provided* that neither Permitted Convertible Notes (prior to conversion thereof) nor Permitted Convertible Notes Swap Contracts shall constitute Equity Interests of the Parent.

"***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.

"***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 to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time the Guaranty of such Guarantor or the grant of such security interest becomes effective with respect to such related Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest is or becomes illegal.

"***Excluded Taxes***" has the meaning specified in Section 2.12(a).

"***Existing Debt***" has the meaning specified in Section 5.02(b)(iii)(C).

"***Extension Date***" has the meaning specified in Section 2.16(b).

"***Extension Fee***" has the meaning specified in Section 2.08(d).

"***Facility***" means the term loan facility provided by the Lenders to the Borrower pursuant to the terms of this Agreement.

"***Facility Exposure***" means with respect to each Lender, on any date of determination, the sum of (a) the aggregate principal amount of all then outstanding Advances made by such Lender, (b) the aggregate principal amount of all unfunded commitments (if any) of such Lender to make Advances or other credit extensions pursuant to this Agreement and (c) 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, any agreement entered into pursuant to section 1471(b) of the Internal Revenue Code), any intergovernmental agreement, treaty or convention among Governmental Authorities entered into in connection with any of the foregoing, and any legislation, regulations, rules or practices adopted or enacted in respect of any such intergovernmental agreement, treaty or convention or otherwise in connection with any of the foregoing.

"***Federal Funds Rate***" means, for any day, the rate per annum calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; *provided* that if the Federal Funds Rate as so determined would be less than zero, such rate shall be deemed to be zero.

"***Fee Letter***" means any separate letter agreement executed and delivered by the Borrower or an Affiliate of the Borrower and to which the Administrative Agent or an Arranger is a party, as the same may be amended, restated or replaced 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.

"***Foreign Lender***" means a Lender that is not a U.S. Person.

"***Franchise Agreements***" means (a) as of the Closing Date, the Franchise Agreements set forth on Part IV of Schedule 4.01(p) hereto, and (b) any written franchise agreement in respect of a Hotel Asset after the Closing Date.

"***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.

"***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, all as determined in accordance with GAAP; *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 or an Affiliate of a Lender 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 initial Borrowing hereunder.

"***Initial Lenders***" has the meaning specified in the first paragraph of 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, as to each Term SOFR Advance comprising part of the same Borrowing, the period commencing on the date such Term SOFR Advance is disbursed or converted to or continued as a Term SOFR Advance and ending on the date one, three or six months thereafter, as selected by the Borrower in its Notice of Borrowing (subject to availability); *provided* that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Term SOFR Advance, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to a Term SOFR Advance that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) no Interest Period shall extend beyond the Termination Date; and

(d) Interest Periods commencing on the same date for Term SOFR Advances comprising part of the same Borrowing shall be of the same duration.

"***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 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.

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

"***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*; provided, however*, that the term "Lender", except as otherwise expressly provided herein, shall exclude any Lender (or its Affiliates) in its capacity as a Hedge Bank.

"***Leverage Ratio***" means, at any date of determination, the ratio of (x) Total Indebtedness to (y) 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 Administrative Agent pursuant to Section 5.03(b) or (c), as the case may be.

"***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, the Guarantors and the TRS Lessees.

"***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 or financial condition 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 or financial condition 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 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 $10,000,000 or more per annum or otherwise material to the business, financial condition, operations, performance or properties 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 or (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 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; *provided*, *however*, in any case Material Debt shall not include (x) any guaranty of Debt for Borrowed Money with an outstanding balance, individually or in the aggregate, of $15,000,000 or less, (y) Non-Recourse Guarantees, unless and until a claim for payment has been made under any such Non-Recourse Guarantee or (z) unless and until a claim for payment has been made thereunder, any guarantees or indemnities of payment Obligations under any Qualifying Ground Lease, Franchise Agreements or other related agreements not constituting Debt for Borrowed Money and approved by the Administrative Agent. For the avoidance of doubt, Material Debt may include Refinancing Debt to the extent comprising Material Debt as defined herein.

"***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 pursuant to the Loan Documents, the Summit JV MR 1 Facility, the Summit OP Facility (2023) and the Summit SubJV Facility) 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.

"***Non-Recourse Guarantee***" shall mean a Customary Carve-Out Agreement consisting of a guaranty or indemnity of Non-Recourse Debt.

"***Note***" shall mean a promissory note issued by the Borrower payable to the order of any Lender, in substantially the form of Exhibit A hereto, evidencing Advances made by such Lender to the Borrower.

"***Notice of Borrowing***" means a notice of (a) a Borrowing, (b) a conversion of Advances from one Type to the other, or (c) a continuation of Term SOFR Advances, pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit B or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

"***Notice of Loan Prepayment***" means a notice of prepayment with respect to an Advance, which shall be substantially in the form of Exhibit F or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of a Borrower.

"***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, 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***" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"***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.

"***Other Taxes***" has the meaning specified in Section 2.12(b).

"***Outstandings***" means, as to any Lender at any time, the aggregate amount of Advances and other credit extensions made pursuant to this Agreement that are held by such Lender on such date.

"***Parent***" has the meaning specified in the first paragraph of this Agreement.

"***Parent Guarantor***" has the meaning specified in the first paragraph of 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 Convertible Notes***" means senior convertible debt securities of the Parent (a) that are unsecured, (b) that do not have the benefit of any Guaranty of any Subsidiary, (c) that are otherwise permitted under Section 5.02(b), (d) [intentionally omitted], (e) that are not subject to any sinking fund or any prepayment, redemption or repurchase requirements, whether scheduled, triggered by specified events or at the option of the holders thereof (it being understood that none of (i) a customary "change in control" or "fundamental change" put, (ii) a right to convert such securities into shares of common stock of the Parent, cash or a combination thereof as the Parent may elect or (iii) an acceleration upon an event of default will be deemed to constitute such a sinking fund or prepayment, redemption or repurchase requirement), and (f) that have the benefit of covenants and events of default customary for comparable convertible securities (as determined by the Parent in good faith).

"***Permitted Convertible Notes Swap Contract***" means a Hedge Agreement entered into by the Parent in connection with, and prior to or concurrently with, the issuance of any Permitted Convertible Notes pursuant to which the Parent acquires a call or a capped call option requiring the counterparty thereto to deliver to the Parent shares of common stock of the Parent, the cash value of such shares or a combination of such shares and cash from time to time upon exercise of such option; *provided* that the terms, conditions and covenants of each such Hedge Agreement shall be such as are typical and customary for Hedge Agreements of such type (as determined by the Parent in good faith).

"***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 are not overdue for a period of more than 30

days or are otherwise subject to a Good Faith Contest; (c) pledges or deposits to secure obligations under workers' compensation or unemployment laws or similar legislation or to secure public or statutory obligations; (d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business; (e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (g) or (h) of Section 6.01; (f) 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; (g) Tenancy Leases; (h) banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with depository institutions and securities accounts and other financial assets maintained with a securities intermediary; (i) Liens of a collecting bank arising in the ordinary course of business under Section 4-210 (or the applicable corresponding section) or the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon; (j) Liens that are contractual or statutory rights of set-off; (k) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to brokerage accounts incurred in the ordinary course of business and not for speculative purposes; (l) [intentionally omitted]; (m) Liens in existence as of the Closing Date securing Indebtedness under the Summit JV MR 1 Facility and the Summit SubJV Facility; and (n) such other encumbrances as may be consented to by the Administrative Agent in its sole discretion.

"***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 Summit OP Facility (2023) and the Permitted Convertible Notes, that has a scheduled maturity date or commitment termination date prior to the one year anniversary of the latest Termination Date (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.

"***Platform***" has the meaning specified in Section 9.11.

"***Post Petition Interest***" has the meaning specified in Section 7.07(c).

"***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.

"***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 Increased Commitment***" has the meaning specified in Section 2.17(b).

"***Proposed Unencumbered Asset***" has the meaning specified in Section 5.01(k).

"***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 Outstandings at such time and the denominator of which is the Total Outstandings at such time.

"***PTE***" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"***Public Lender***" has the meaning specified in Section 9.11.

"***QFC***" has the meaning specified in Section 9.18(b).

"***QFC Credit Support***" has the meaning specified in Section 9.18(a).

"***Qualified ECP Guarantor***" means, in respect of any Swap Obligation, each Guarantor that has total assets exceeding $10,000,000 at the time such Swap Obligation is incurred or such other Person as constitutes an ECP under the Commodity Exchange Act or any regulations promulgated thereunder.

"***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.

"***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 Lenders 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.

"***Related Parties***" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors, consultants, service providers and representatives of such Person and of such Person's Affiliates.

"***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 sum of the aggregate principal amount of the Advances outstanding at such time. 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.

"***Rescindable Amount***" means an amount as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following: (1) the Borrower has not in fact made such payment; (2) the Administrative Agent has made a payment in excess of the amount so paid by the Borrower (whether or not then owed); or (3) the Administrative Agent has for any reason otherwise erroneously made such payment.

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

"***Responsible Officer***" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer, controller or senior vice president of finance of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"***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.

"***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.

"***Sanction(s)***" means any sanction administered or enforced by the United States Government (including without limitation, OFAC), the Canadian Government, the United Nations Security Council, the European Union, His Majesty's Treasury ("***HMT***") or other relevant sanctions authority.

"***Scheduled Unavailability Date***" has the meaning specified in Section 2.19(b).

"***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 the 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 any direct or indirect Subsidiary of the Parent Guarantor or any Joint Venture.

"***Secured Recourse Indebtedness***" means the portion of Secured Indebtedness that is not Non-Recourse Debt (excluding that portion of Secured Indebtedness relating to the Summit JV MR 1 Facility and the Summit SubJV Facility).

"***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.

"***SOFR***" means the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

"***SOFR Adjustment***" means 0.10% (10 basis points) per annum.

"***SOFR Advances***" means, collectively or individually as the context requires, Daily SOFR Advances and/or Term SOFR Advances.

"***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 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 first paragraph of this Agreement.

"***Successor Rate***" has the meaning specified in Section 2.19(b).

"***Summit JV MR 1 Facility***" means the facility provided pursuant to the Credit Agreement dated as of October 8, 2019 between Summit JV MR 1, LLC, as borrower, Summit Hospitality JV, LP,

as parent, the guarantors party thereto, Bank of America, N.A., as administrative agent, and the lenders party thereto, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"***Summit OP Facility (2023)***" means the facilities provided pursuant to the Summit OP Facility (2023) Credit Agreement.

"***Summit OP Facility (2023) Credit Agreement***" means the Credit Agreement dated as of June 21, 2023, among the Borrower, as borrower, the Parent Guarantor, as parent guarantor, the other guarantors party thereto, Bank of America, N.A., as administrative agent, and the lenders party thereto, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"***Summit SubJV Facility***" means the facility provided pursuant to the Credit Agreement dated as of January 13, 2022, by and among Summit JV MR 2, LLC, Summit JV MR 3, LLC and Summit NCI NOLA BR 184, LLC, as borrowers, Summit Hospitality JV, LP, as parent, the guarantors party thereto, Bank of America, N.A., as administrative agent, and the lenders party thereto, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"***Supported QFC***" has the meaning specified in Section 9.18(a).

"***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 Initial Lenders in an aggregate principal amount equal to $200,000,000 on the Closing Date, as the same may be increased as provided in Section 2.17.

"***Term Loan Commitment***" means, (a) with respect to any Lender at any time, its obligation to make an advance to the Borrower pursuant to Section 2.01(b) in an aggregate principal amount at any time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule I hereto under the caption "Term Loan Commitment" or (b) if such Lender has entered into an Accession Agreement or one or more Assignment and Acceptances, the amount 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 Commitment", as such amount may be adjusted from time to time pursuant to this Agreement.

"***Term SOFR***" means:

(a) for any Interest Period with respect to a Term SOFR Advance, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; *provided* that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto; and

(b) for any interest calculation with respect to a Base Rate Advance on any date, the rate per annum equal to the Term SOFR Screen Rate with a term of one month commencing that day.

"***Term SOFR Advance***" means an Advance that bears interest at a rate based on clause (a) of the definition of Term SOFR.

"***Term SOFR Screen Rate***" means the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to the Administrative Agent) and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

"***Termination Date***" means the earlier of (i) February 26, 2027, subject to the extension thereof pursuant to Section 2.16(b) and (ii) the date all Advances, interest thereon and other amounts payable hereunder and under the other Loan Documents are declared due and payable pursuant to Section 6.01 and all commitments (if any) of the Lenders to fund other credit extensions hereunder are terminated.

"***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 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 Administrative Agent 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, *less* the amount by which the aggregate Unrestricted Cash and Cash Equivalents of the Parent Guarantor, the Borrower and their Subsidiaries at such time exceeds $25,000,000.

"***Total Outstandings***" means, at any time, the aggregate amount of Outstandings held by all Lenders on such date.

"***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).

"***Trading with the Enemy Act***" means the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended), and any other enabling legislation or executive order relating thereto.

"***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 with reference to the Base Rate, Advances with reference to Adjusted Term SOFR and Advances with reference to Adjusted Daily SOFR.

"***UK Financial Institution***" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"***UK Resolution Authority***" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"***Unencumbered Adjusted NOI***" means aggregate Adjusted NOI for all Unencumbered Assets.

"***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 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 Designation Package***" means, with respect to any Proposed Unencumbered Asset, the following items, each in form and substance satisfactory to the Administrative Agent: (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, and (e) if such Asset is then the subject of an acquisition transaction, a copy of the purchase agreement with respect thereto and a schedule of the proposed sources and uses of funds for such transaction.

"***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 or a Subsidiary of 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 approved by the Required Lenders; (g) other than with respect to Unencumbered Assets for which aggregate Unencumbered Asset Value accounts for no more than 25% of Total Unencumbered Asset Value, 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 any Lien described in clause (a), (b), (f), (g), (l), (m) or (n) of the definition of 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 any Lien described in clause (a), (b), (f), (g), (l), (m) or (n) of the definition of 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 Applicable Ownership Percentage of 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 Applicable Ownership Percentage of 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.

"***U.S. Government Securities Business Day***" means any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock

Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

"***U.S. Person***" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Internal Revenue Code.

"***U.S. Tax Compliance Certificate***" has the meaning specified in Section 2.12(g)(ii)(B)(3).

"***U.S. Special Resolution Regimes***" has the meaning specified in Section 9.18.

"***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, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02. 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 and including". Any reference herein to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a Division as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any Division successor shall constitute a separate Person hereunder (and each Division of any Person that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

SECTION 1.03. Accounting Terms; Changes in GAAP. (a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements referred to in Section 4.01(g) ("***GAAP***"), except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Parent and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); *provided* that, until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made without giving effect to any change in accounting for leases pursuant to GAAP including but not limited to those resulting from the implementation of Financial Accounting Standards Board ASU No. 2016-02, Leases (Topic 842), in each case to the extent any such adoption would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) would not have been required to be so treated under GAAP as in effect on December 31, 2015, such lease shall not be considered a capital lease, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith.

SECTION 1.04. Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

SECTION 1.05. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

SECTION 1.06. Interest Rates. The Administrative Agent does not warrant, or accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to any reference rate referred to herein or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or the effect of any of the foregoing, or of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any reference rate referred to herein or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing), in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service.

SECTION 1.07. Other Interpretative Provisions. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import when used

in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law, rule or regulation shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

ARTICLE II
AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The Advances. (a) [Intentionally Omitted].

(b) The Advances. Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make advances (each, an "***Advance***") to the Borrower in an amount equal to such Lender's Term Loan Commitment. Each Borrowing shall consist of Advances made simultaneously by the Lenders ratably according to their Term Loan Commitments. The Borrower may prepay Advances pursuant to Section 2.06(a). Subject to the terms and conditions of this Agreement, including Section 2.17, the Term Loan shall be funded to the Borrower on the Closing Date. The Borrower shall not have the right to reborrow any portion of the Term Loan that is repaid or prepaid.

SECTION 2.02. Making the Advances. (a) Each Borrowing shall be made on notice, given not later than 11:00 A.M. (New York City time) (i) on the second Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Term SOFR Advances, or not later than 11:00 A.M. (New York City time) on the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Advances or Daily SOFR 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 shall be by telephone, confirmed immediately in writing by delivery to the Administrative Agent of a Notice of Borrowing. Each Lender shall, before 1:00 P.M. (New York City time) on the date of each Borrowing specified in the applicable Notice of Borrowing, 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 Term Loan Commitments of such Lender and the other Lenders.

(b) [Intentionally Omitted].

(c) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select Term SOFR Advances for any Borrowing if the aggregate amount of such Borrowing is less than $1,000,000 or if the obligation of the Lenders to make Term SOFR Advances shall then be suspended pursuant to Section 2.19, 2.09 or 2.10 and (ii) there may not be more than three separate Interest Periods in effect hereunder at any time.

(d) 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 Term SOFR 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.

(e) Unless the Administrative Agent shall have received notice from a Lender prior to (x) the date of any Borrowing consisting of Term SOFR Advances or (y) 12:00 Noon (New York City time) on the date of any Borrowing consisting of Base Rate Advances or Daily SOFR Advances 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.

(f) 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.

(g) With respect to Daily Simple SOFR or Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document; *provided* that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

(h) If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its Applicable Lending Office to make, maintain or fund Advances whose interest is determined by reference to Daily Simple SOFR or Term SOFR, or to determine or charge interest rates based upon Daily Simple SOFR or Term SOFR, then, upon notice thereof by such Lender to the Borrower (through the Administrative Agent), (i) any obligation of such Lender to make or continue Term SOFR Advances or Daily SOFR Advances or to convert Base Rate Advances to Term SOFR Advances or Daily SOFR Advances shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Advances the interest rate on which is determined by reference to the SOFR component of the Base Rate, the interest rate on which Base Rate Advances of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the SOFR component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (A) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Term SOFR Advances and Daily SOFR Advances of such Lender to Base Rate Advances (the interest rate on which Base Rate Advances of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the SOFR component of the Base Rate), (x) for Term SOFR Advances, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Term SOFR Advance to such day, or immediately, if such Lender may not lawfully continue to maintain such Term SOFR Advance and (y) for Daily SOFR Advances, immediately, (B) if such notice asserts the illegality of such Lender determining or charging interest rates based upon Term SOFR, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the SOFR component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon Term SOFR. Upon

any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required hereunder.

SECTION 2.03. [Intentionally Omitted].

SECTION 2.04. Repayment of Advances. The Borrower shall repay to the Administrative Agent for the ratable account of the Lenders on the Termination Date the aggregate outstanding principal amount of the Advances then outstanding.

SECTION 2.05. Termination of the Term Loan Commitments. The aggregate Term Loan Commitments funded on the Closing Date or on the Increase Date, as applicable, shall be automatically and permanently reduced to zero on the date such Advances are made pursuant to Section 2.01(b) or Section 2.17, as applicable.

SECTION 2.06. Prepayments. (a) Optional. The Borrower may, upon same day notice in the case of Base Rate Advances and Daily SOFR Advances and two Business Days' notice in the case of Term SOFR Advances, in each case to the Administrative Agent and in the form of a Notice of Loan Prepayment, 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; *provided*, *however*, that (i) such notice must be received by the Administrative Agent not later than 11:00 A.M. (New York City Time) (A) two Business Days prior to any date of prepayment of Term SOFR Advances and (B) on the date of prepayment of Base Rate Advances or Daily SOFR Advances (ii) each partial prepayment of Term SOFR Advances shall be in an aggregate principal amount of $1,000,000 or a whole multiple of $100,000 in excess thereof or, if less, the amount of the Advances outstanding, (iii) each partial prepayment of Base Rate Advances or Daily SOFR Advances shall be in an aggregate principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, if less, the amount of the Advances outstanding and (iii) if any prepayment of a Term SOFR 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).

(b) [Intentionally Omitted].

SECTION 2.07. 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) Term SOFR Advances. During such periods as such Advance is a Term SOFR Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (A) Adjusted Term SOFR for such Interest Period for such Advance *plus* (B) the Applicable Margin in respect of Term SOFR 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 Term SOFR Advance shall be Converted or paid in full.

(iii) Daily SOFR Advances. During such periods as such Advance is a Daily SOFR Advance, a rate per annum equal at all times to the sum of (A) Adjusted Daily SOFR in effect

from time to time *plus* (B) the Applicable Margin in respect of Daily SOFR 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 Daily SOFR 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.

(d) Interest Rate Determination. (i) Subject to Section 2.19 below, if the Term SOFR Screen Rate is unavailable and the Administrative Agent is unable to determine the Term SOFR Screen Rate for any Term SOFR Advances, as provided in the definition of "Term SOFR" (including because the Term SOFR Screen Rate is not available or published on a current basis):

(A) the Administrative Agent shall forthwith notify the Borrower and the Lenders that the interest rate cannot be determined for such Term SOFR 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, Term SOFR Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 2.08. Fees. (a) [Intentionally Omitted].

(b) [Intentionally Omitted].

(c) Other Fees. The Borrower shall pay to the Administrative Agent and the 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 any Arranger.

(d) Extension Fee. If the term of the Facility is extended pursuant to Section 2.16, the Borrower shall pay to the Administrative Agent on the applicable Extension Date, for the account of each Lender, an extension fee (the "***Extension Fee***"), in an amount equal to 0.15% of the outstanding principal balance of each Lender's Advance.

SECTION 2.09. Conversion of Advances. (a) Optional. The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 11:00 a.m. (New York City time) on the second 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 Term SOFR Advances into Base

Rate Advances or Daily SOFR Advances shall be made only on the last day of an Interest Period for such Term SOFR Advances, any Conversion of Base Rate Advances or Daily SOFR Advances into Term SOFR 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 Pro Rata Shares of the Total Outstandings, and with respect to any proposed Borrowing consisting a Conversion of Base Rate Advances or Daily SOFR Advances to Term SOFR 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 Term SOFR 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 Term SOFR Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than $1,000,000, 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 Term SOFR 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 Term SOFR 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, (A) each SOFR Advance will automatically, (x) on the last day of the then existing Interest Period of any Term SOFR Advance and (y) on such day for any Daily SOFR Advance, Convert into a Base Rate Advance and (B) the obligation of the Lenders to make, or to Convert Advances into, SOFR Advances shall be suspended.

SECTION 2.10. Increased Costs, Etc. (a) If, due to either (i) any Change in Law 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 of agreeing to make or of making, funding or maintaining Term SOFR 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 is organized, has its Applicable Lending Office or otherwise has current or former connections (other than such connections arising from such Lender'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 (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost; *provided*, *however*, that a Lender 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, be otherwise disadvantageous to such Lender. A certificate as to the amount of such increased cost, submitted to the Borrower by such Lender, 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 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 or any corporation controlling such Lender and that the amount of such capital or such liquidity requirement is increased by or based upon the existence of such Lender's commitment to lend, then, upon demand by such Lender 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, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital or increase in liquidity to be allocable to the existence of such Lender's commitment to lend. A certificate as to such amounts submitted to the Borrower by such Lender 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 Term SOFR Advances, the Required Lenders notify the Administrative Agent that the Term SOFR Screen Rate for any Interest Period for such Advances will not adequately reflect the cost to such Lenders of making, funding or maintaining their Term SOFR Advances for such Interest Period, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon (i) each such Term SOFR 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, Term SOFR 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 perform its obligations hereunder to make SOFR Advances or to continue to fund or maintain SOFR Advances hereunder, then, on notice thereof and demand therefor by such Lender to the Borrower through the Administrative Agent, (i) each SOFR 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, SOFR 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 Applicable Lending Office if the making of such designation would allow such Lender or its Applicable Lending Office to continue to perform its obligations to make SOFR Advances or to continue to fund or maintain SOFR Advances and would not, in the judgment of such Lender, be otherwise disadvantageous to such Lender.

(e) If any Lender requests compensation under Section 2.10(a) or 2.10(b), or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.12 and, in each case, such Lender has declined or is unable to designate a different Lending Office, the Borrower may replace any such Lender in accordance with Section 9.01(b).

SECTION 2.11. 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 (New York City 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 or any other Obligation then payable hereunder and under the Notes to more than one Lender, to such Lenders for the account of their respective Applicable Lending Offices ratably in accordance with the amounts of such respective Obligations then payable to such Lenders and (ii) if such payment by the Borrower is in respect of any Obligation then payable hereunder to one Lender, to such Lender 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 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 and each of its Affiliates, if and to the extent payment owed to such Lender is not made when due hereunder or 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 any amount so due.

(c) All computations of interest based on part (a) of the definition of 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 Term SOFR, Daily Simple SOFR 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 Term SOFR 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 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 on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Administrative Agent, each such Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender 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 Lenders 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 Lenders 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 amounts that are due and payable to the Administrative Agent and the Lenders 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 Lenders on such date;

(iii) *third*, to the payment of all of the fees that are due and payable to the Lenders under Section 2.08(c) or Section 2.08(d) on such date, ratably based upon the Pro Rata Share of each Lender's Total Outstandings 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 Lenders 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 Lenders 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 Lenders under Section 2.07(a) on such date, ratably based upon the respective aggregate amounts of all such interest owing to the Administrative Agent and the Lenders on such date;

(vi) *sixth*, to the payment of any other accrued and unpaid interest comprising Obligations that is due and payable to the Administrative Agent and the Lenders on such date, ratably based upon the respective aggregate amounts of all such interest owing to the Administrative Agent and the Lenders 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 the 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 Lenders on such date, ratably based upon the respective aggregate amounts of all such principal and reimbursement obligations owing to the Administrative Agent and the Lenders 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 Lenders on such date, ratably based upon the respective aggregate amounts of all such Obligations owing to the Administrative Agent and the Lenders on such date.

Notwithstanding the foregoing, Obligations arising under Guaranteed Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may request, from the applicable Hedge Bank. Each Hedge Bank not a party to the Credit Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article VIII hereof for itself and its Affiliates as if a "Lender" party hereto. Upon the occurrence of an Event of Default including after any acceleration of the Obligations, each Hedge Bank shall provide the Administrative Agent periodic updates (including updates promptly upon the Administrative Agent's request therefore) of the amounts due and owing with respect to any outstanding Guaranteed Hedge Agreements.

SECTION 2.12. Taxes. (a) Any and all payments by any Loan Party to or for the account of any Lender 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. As used in this Agreement, (x) the term "***Excluded Taxes***" means the following Taxes imposed on or with respect to a Lender or the Administrative Agent, or required to be withheld or deducted from a payment to a Lender or the Administrative Agent: (i) in the case of each Lender and the Administrative Agent, Taxes that are imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (A) imposed as a result of such Lender being organized under the laws of, or having its principal office or, as the case may be, its Applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (B) imposed as a result of current or former connections between such Lender and the jurisdiction imposing such Tax (other than such connections arising from such Lender'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, (ii) any U.S. federal withholding tax imposed on amounts payable to or for the account of any Lender with respect to an applicable interest in an Advance or Term Loan Commitment pursuant to a law in effect on the date on which such Lender acquires such interest in such Advance or Term Loan 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's assignor immediately before such Person became a party hereto or to such Lender immediately before it changed its Applicable Lending Office, (iii) Taxes attributable to such Lender's failure to comply with the Section 2.12(g) and (iv) in the case of each Lender, any U.S. federal withholding tax imposed pursuant to FATCA, and (y) the term "***Indemnified Taxes***" means all Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Loan Party under any Loan Document, and, without duplication, Other Taxes . If any Loan Party or the Administrative Agent shall be required by applicable law (as determined in the good faith discretion of the applicable withholding agent) to deduct any Tax from or in respect of any sum payable hereunder or under any other Loan Document to any Lender 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(g), (i) such Loan Party or the Administrative Agent, as applicable, shall make all such deductions (ii) such Loan Party or the Administrative Agent, as applicable, shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law and (iii) if such Tax is an Indemnified Tax, then the sum payable by the 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 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.

(b) In addition, each Loan Party shall pay any present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made by such Loan Party hereunder or under any other Loan Documents or from the execution, delivery, enforcement 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 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 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 (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. This indemnification shall be made within 10 days from the date such Lender or the Administrative Agent (as the case may be) makes written demand therefor.

(d) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that 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's failure to comply with the provisions of Section 9.07 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the 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) [Intentionally Omitted].

(g) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.12(g)(ii)(A), (ii)(B) and (ii)(D) of this Section) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or

the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit G-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" related to any Loan Party described in Section 881(c)(3)(C) of the Internal Revenue Code (a "***U.S. Tax Compliance Certificate***") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to

comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so

(h) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 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 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) Any Lender 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 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, be otherwise disadvantageous to such Lender.

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 Term Loan Commitments and the payment in full of principal, interest and all other amounts payable hereunder and under any of the other Loan Documents.

SECTION 2.13. Sharing of Payments, Etc. (a) Sharing. Subject to the provisions of Section 2.11(f), if any Lender 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 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 at such time to (ii) the aggregate amount of the Obligations due and payable to all applicable Lenders under the Loan Documents at such time) of payments on account of the Obligations due and payable to all such applicable Lenders under the Loan Documents at such time obtained by all such applicable Lenders at such time or (b) on account of Obligations owing (but not due and payable) to such Lender 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 at such time to (ii) the aggregate amount of the Obligations owing (but not due and payable) to all such applicable Lenders hereunder at such time) of payments on account of the Obligations owing (but not due and payable) to all such applicable Lenders under the Loan Documents at such time obtained by all of such applicable Lenders at such time, such Lender shall forthwith purchase from such other applicable Lenders 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 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, such purchase from each other Lender shall be rescinded and such other Lender shall repay to the purchasing Lender the purchase price to the extent of such Lender's ratable share (according to the proportion of (i) the purchase price paid to such Lender to (ii) the aggregate purchase price paid to all applicable Lenders) of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such other Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing an interest or participating interest from another Lender pursuant to this Section 2.13(a) 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 were the direct creditor of the Borrower in the amount of such interest or participating interest, as the case may be.

(b) Pro Rata Sharing Following Event of Default. Notwithstanding Section 2.13(a), following the occurrence and during the continuance of any Event of Default, subject to the provisions of Section 2.11(f), if any Lender 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 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 at such time to (ii) the aggregate amount of the Obligations due and payable to all Lenders under the Loan Documents at such time) of payments on account of the Obligations due and payable to all Lenders under the Loan Documents at such time obtained by all the Lenders at such time or (b) on account of Obligations owing (but not due and payable) to such Lender 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 at such time to (ii) the aggregate amount of the Obligations owing (but not due and payable) to all Lenders under the Loan Documents at such time) of payments on account of the Obligations owing (but not due and payable) to all Lenders under the Loan Documents at such time obtained by all of the Lenders at such time, such Lender shall forthwith purchase from the other Lenders 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 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, such purchase from each other Lender shall be rescinded and such other Lender shall repay to the purchasing Lender the purchase price to the extent of such Lender's ratable share (according to the proportion of (i) the purchase price paid to such Lender to (ii) the aggregate purchase price paid to all Lenders) of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such other Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing an interest or participating interest from another Lender 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 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 2.14. Use of Proceeds. The proceeds of the Advances shall be used for general corporate purposes of the Borrower and its Subsidiaries, including, without limitation, (i) working capital and general corporate purposes, (ii) the payment of capital expenditures, (iii) the acquisition of Assets as permitted by this Agreement, (iv) to refinance, in part, the Indebtedness outstanding under the 2018 Term Loan Agreement, and (v) the payment of fees and expenses related to the Facility and the other transactions contemplated by the Loan Documents, in each case to the extent permitted by applicable Laws and the Loan Documents. The Borrower will not directly or indirectly use the proceeds of the Advances, or lend, contribute or otherwise make available to any Subsidiary, joint venture partner or other Person such extensions of credit or proceeds, (A) to fund any activities or businesses of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (B) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Facility, whether as underwriter, advisor, investor, or otherwise) or any Anti-Corruption Laws.

SECTION 2.15. Evidence of Debt. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Advance owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder. The Borrower agrees that upon notice by any Lender 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 to evidence (whether for purposes of pledge, enforcement or otherwise) the Advances owing to, or to be made by, such Lender, the Borrower shall promptly execute and deliver to such Lender, with a copy to the Administrative Agent, a Note or Notes, in substantially the form of Exhibit A hereto, payable to the order of such Lender in a principal amount equal to the Term Loans of such Lender. 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, 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 Administrative Agent shall maintain the Register in accordance with Section 9.07(d). In the event of any conflict between the accounts and records maintained by any Lender and the Register, the Register shall control in the absence of manifest error.

(c) Entries made in good faith by the Administrative Agent in the Register pursuant to subsection (b) above, and by each Lender 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 and, in the case of such account or accounts, such Lender, under this Agreement, absent manifest error; *provided*, *however*, that the failure of the Administrative Agent or such Lender 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 2.16. Extension of Facility.

(a) [Intentionally Omitted].

(b) Extension of Termination Date. At least 45 days but not more than 90 days prior to the Termination Date, the Borrower, by written notice to the Administrative Agent, may request, with respect to the Facility, up to two consecutive twelve-month extensions of the Termination Date. The Administrative Agent shall promptly notify each Lender of such request and the Termination Date in effect at such time shall, effective as at such Termination Date (the "***Extension Date***"), be extended for an additional twelve-month period, *provided* that the Borrower shall have paid the Extension Fees as described in Section 2.08(d), and on or prior to the applicable Extension Date the following statements shall be true and the Administrative Agent shall have

received for the account of each Lender a certificate signed by a Responsible Officer of the Borrower, dated the Extension Date, stating that: (i) the representations and warranties contained in Section 4.01 are true and correct in all material respects (or, (A) with respect to representations and warranties set forth in Sections 4.01(x) and (aa) and (B) representations and warranties qualified as to materiality or Material Adverse Effect, true and correct in all respects) on and as of the Extension Date (except to the extent they relate to an earlier date, in which case such representations and warranties are true and correct in all material respects or in all respects, as applicable, on or as of such earlier date), (ii) no Default or Event of Default has occurred and is continuing or would result from such extension, and (iii) the Loan Parties are in compliance with the covenants contained in Section 5.04 immediately before and, on a *pro forma* basis, immediately after such extension, together with supporting information demonstrating such compliance. In the event that an extension of the Facility is effected pursuant to this Section 2.16(b) (but subject to the provisions of Sections 2.05, 2.06 and 6.01), the aggregate principal amount of the Facility shall be repaid in full ratably to the Lenders on the Termination Date as so extended (unless further extended as provided herein). As of an Extension Date, any and all references in this Agreement or any of the other Loan Documents to the "Termination Date" with respect to the Facility, shall refer to the Termination Date in respect of the Facility as so extended.

SECTION 2.17. Increase in the Aggregate Commitments. (a) The Borrower may, at any time (but no more than once in any consecutive 12-month period), by written notice to the Administrative Agent, request either (i) an increase in the aggregate amount of the Term Loan Commitments, in the form of an additional tranche within the Facility, or (ii) an increase in the aggregate amount of the Term Loan Commitments, in each case by not less than $5,000,000 (each such proposed increase, a "***Commitment Increase***") to be effective as of a date that is at least 90 days prior to the scheduled Termination Date then in effect (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 Term Loan Commitments plus the then aggregate outstanding principal amount of the Advances at any time exceed $400,000,000 in the aggregate and (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.

(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) [intentionally omitted], (iii) the proposed Increase Date and (iv) the date by which Lenders wishing to participate in the Commitment Increase must commit to an increase in the amount of their respective Term Loan 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 Term Loan Commitment (the "***Proposed Increased Commitment***"). If the Lenders notify the Administrative Agent that they are willing to increase the amount of their respective Term Loan 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 Term Loan 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 as of such Increase Date and the Term Loan 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 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 applicable Term Loan 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; and

(iii) 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 of the occurrence of the Term Loan 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.

SECTION 2.18. [Intentionally Omitted].

SECTION 2.19. Inability to Determine Rates.

(a) Inability to Determine Rates. If in connection with any request for a SOFR Advance, or a conversion of a Base Rate Advance or a Daily SOFR Advance to a Term SOFR Advance, or a conversion of a Base Rate Advance or a Term SOFR Advance to a Daily SOFR Advance, or a continuation of any of such Advances, as applicable, (i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate has been determined in accordance with Section 2.19(b), and the circumstances under clause (i) of Section 2.19(b) or the Scheduled Unavailability Date has occurred, or (B) adequate and reasonable means do not otherwise exist for determining SOFR or Term SOFR for any requested Interest Period, as applicable, with respect to a proposed SOFR Advance or in connection with an existing or proposed Base Rate Advance, or (ii) the Administrative Agent or the Required Lenders determine for any reason that Term SOFR for any requested Interest Period with respect to a proposed Advance does not adequately and fairly reflect the cost to such Lenders of funding such Advance, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Term SOFR Advances, or to convert Base Rate Advances or Daily SOFR Advances to Term SOFR Advances, or to convert Base Rate Advances or Term SOFR Advances to Daily SOFR Advances, shall be suspended (to the extent of the affected Term SOFR Advances or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Term SOFR component of the Base Rate, the utilization of the Term SOFR component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (or, in the case of a determination by the Required Lenders described in clause (ii) of this Section 2.19(a), until the Administrative Agent upon instruction of the Required Lenders) revokes such notice.

Upon receipt of such notice, (i) the Borrower may revoke any pending request for a Borrowing of, or conversion to, or continuation of SOFR Advances (to the extent of the affected SOFR Advances or Interest Periods, as applicable) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Advances in the amount specified therein and (ii) any outstanding SOFR Advances

shall be deemed to have been converted to Base Rate Advances immediately, in the case of a Daily SOFR Advance or at the end of the applicable Interest Period, in the case of a Term SOFR Advance.

(b) Replacement of Term SOFR or Successor Rate. Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrower) that the Borrower or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining SOFR and one-month, three-month and six-month interest periods of Term SOFR, including, without limitation, because SOFR or the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) (x) with respect to SOFR, the Federal Reserve Bank of New York (or a successor administrator) or a Governmental Authority having jurisdiction over the Administrative Agent or such administrator with respect to its publication of SOFR, in each case acting in such capacity, or (y) CME or any successor administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent or such administrator with respect to its publication of Term SOFR, in each case acting in such capacity, has made a public statement identifying a specific date after which SOFR and one-month, three-month and six-month interest periods of Term SOFR or the Term SOFR Screen Rate, as applicable shall or will no longer be made available, or permitted to be used for determining the interest rate of U.S. dollar denominated syndicated loans, or shall or will otherwise cease, *provided* that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide SOFR or such interest periods of Term SOFR, as applicable, after such specific date (the latest date on which SOFR or one-month, three-month and six-month interest periods of Term SOFR or the Term SOFR Screen Rate are no longer available permanently or indefinitely, the "***Scheduled Unavailability Date***");

or if the events or circumstances of the type described in Section 2.19(b)(i) or (ii) have occurred with respect to the Successor Rate then in effect, then in each case, the Administrative Agent and the Borrower may amend this Agreement solely for the purpose of replacing SOFR and/or Term SOFR or any then current Successor Rate in accordance with this Section 2.19 with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated credit facilities syndicated and agented in the United States for such alternative benchmark, and, in each case, including any mathematical or other adjustments to such benchmark (which may be zero) giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated credit facilities syndicated and agented in the United States for such benchmark, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and adjustments, shall constitute a "Successor Rate". Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders object to such amendment.

(c) Successor Rates. The Administrative Agent will promptly (in one or more notices) notify the Borrower and each Lender of the implementation of any Successor Rate.

Any Successor Rate shall be applied in a manner consistent with market practice; *provided* that to the extent such market practice is not administratively feasible for the Administrative Agent, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than 0.0% per annum, the Successor Rate will be deemed to be 0.0% per annum for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a Successor Rate, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement; *provided* that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

ARTICLE III
CONDITIONS TO EFFECTIVENESS

SECTION 3.01. Conditions Precedent to Effectiveness. The effectiveness of this Agreement is subject to satisfaction of the following conditions precedent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals or electronic copies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent:

(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) This Agreement duly executed by the Loan Parties and the other parties hereto.

(iv) 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.

(v) 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 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 (1) 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, (2) such Loan Party, general partner or managing member, as the case may be, has paid all franchise taxes to the date of such certificate 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. Notwithstanding the foregoing, if the information required in this subsection (vi) shall have previously been delivered to the Administrative Agent, the Administrative Agent will accept, in lieu of such materials (other than with respect to evidence of good standing and current payment of franchise taxes), a certificate from the applicable Loan Party that there has been no change to such materials since the date most recently provided to the Administrative Agent.

(vi) [Intentionally Omitted].

(vii) 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 Closing Date), 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 Closing Date, (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) that the representations and warranties contained in each Loan Document are true and correct in all material respects (or, (A) with respect to representations and warranties set forth in Sections 4.01(x) and (aa) and (B) representations and warranties qualified as to materiality or Material Adverse Effect, true and correct in all respects) on and as of the Closing Date and (E) the absence of any event occurring and continuing, or resulting from the Closing Date, that constitutes a Default.

(viii) 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.

(ix) Such financial, business and other information regarding each Loan Party and its Subsidiaries as the Lenders shall have reasonably requested.

(x) An opinion of Latham & Watkins LLP, counsel for the Loan Parties, with respect to such matters as any Lender through the Administrative Agent may reasonably request.

(xi) An opinion of local counsel for the Loan Parties from Venable LLP covering such matters as any Lender through the Administrative Agent may reasonably request.

(xii) A Notice of Borrowing relating to the Initial Extension of Credit and dated and delivered either (A) not less than two (2) Business Days prior to the date of such Initial Extension of Credit, if such Advance is a Term SOFR Advance, or (B) on the date of such Initial Extension of Credit, if such Advance is a Base Rate Advance or a Daily SOFR Advance.

(xiii) A certificate signed by a Responsible Officer of the Borrower, dated the Closing Date, stating that after giving effect to the transactions to occur on the Closing Date, including

any Initial Extension of Credit, the Parent Guarantor shall be in compliance with the covenants contained in Section 5.04 on a *pro forma* basis as of the last day of the fiscal quarter of the Parent Guarantor ending immediately prior to the Closing Date for which financial statements of the Parent Guarantor are available, together with supporting information in form satisfactory to the Administrative Agent showing the computations used in determining compliance with such covenants.

(b) The Administrative Agent shall have received reasonably satisfactory evidence that all indebtedness, liabilities and other obligations under or in connection with the 2018 Term Loan Agreement (including without limitation all unpaid principal, interest, fees, expenses and other amounts owing thereunder or in connection therewith) have been, or concurrently with the Closing Date are being, repaid in full and all commitments thereunder terminated, and all existing Liens securing obligations arising under or in connection with the 2018 Term Loan Agreement or related loan documents have been, or concurrently with the Closing Date are being, released.

(c) The Administrative Agent shall have received reasonably satisfactory evidence that all existing Liens on the "Collateral" as defined in the Summit OP Facility (2023) Credit Agreement have been, or concurrently with the Closing Date are being, released.

(d) There shall not have occurred since September 30, 2023 any event or condition that has had or could reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect.

(e) There shall exist no action, suit, investigation, litigation or proceeding affecting any Loan Party or any of its Subsidiaries pending or, to the knowledge of any Loan Party, 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 or (ii) purports to affect the legality, validity or enforceability of any Loan Document or the consummation of the transactions contemplated thereby.

(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 Lenders) and shall remain in effect, and no law or regulation shall be applicable in the reasonable judgment of the Lenders that restrains, prevents or imposes materially adverse conditions upon the transactions contemplated by the Loan Documents.

(g) [Intentionally Omitted].

(h) The Borrower shall have paid all accrued fees of the Administrative Agent, the Arrangers and the Lenders required to be paid by the Borrower on or prior to the Closing Date pursuant to the Loan Documents and all expenses required to be reimbursed by the Borrower on or prior to the Closing Date pursuant to the Loan Documents shall have been paid, *provided* that invoices for such expenses have been presented to the Borrower a reasonable period of time (and in any event not less than two (2) Business Days) prior to the Closing Date (including, unless waived by the Administrative Agent, all reasonable, documented, out-of-pocket fees, charges and disbursements of counsel to the Administrative Agent (paid directly to such counsel if requested by the Administrative Agent), plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (*provided* that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent)).

(i) (i) The Borrower and each Guarantor shall have provided to the Administrative Agent and the Lenders the documentation and other information requested by the Administrative Agent or any Lender to comply with its "know your customer" requirements and to confirm compliance with all applicable Sanctions, Anti-Corruption Laws, the Trading with the Enemy Act and the Patriot Act, and (ii) if the Borrower qualifies as a "legal entity customer" within the meaning of the Beneficial Ownership Regulation, the Borrower shall have

provided to the Administrative Agent (for further delivery by the Administrative Agent to the Lenders in accordance with its customary practice) a Beneficial Ownership Certification for the Borrower; in each case delivered at least five Business Days prior to the Closing Date to the extent such information is requested at least ten Business Days prior to the Closing Date.

SECTION 3.02. Conditions Precedent to Each Borrowing, Extension and Increase. The obligation of each Lender to make an Advance, the extension of the Facility pursuant to Section 2.16, 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 the Administrative Agent shall have received for the account of such Lenders (x) a Notice of Borrowing, dated the date of such Borrowing, extension or increase, and (y) a certificate signed by a Responsible Officer of the Borrower, dated the date of such Borrowing, extension or increase, stating that:

(i) the representations and warranties contained in each Loan Document are true and correct in all material respects (or, (A) with respect to representations and warranties set forth in Sections 4.01(x) and (aa) and (B) representations and warranties qualified as to materiality or Material Adverse Effect, true and correct in all respects) on and as of such date (except to the extent they relate to an earlier date, in which case such representations and warranties are true and correct in all material respects or in all respects, as applicable, on or as of such earlier date), before and after giving effect to (I) such Borrowing, extension or increase, and (II) in the case of any Borrowing, the application of the proceeds therefrom, as though made on and as of such date; and

(ii) no Default or Event of Default has occurred and is continuing, or would result from (A) such Borrowing, extension or increase or (B) in the case of any Borrowing, from the application of the proceeds therefrom.

SECTION 3.03. 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 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 Lenders unless an officer of the Administrative Agent responsible for the transactions contemplated by the Loan Documents shall have received notice from such Lender prior to the Initial Extension of Credit specifying its objection thereto and such Lender shall not have made available to the Administrative Agent such Lender's ratable portion of such Borrowing.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

SECTION 4.01. 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.

(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.

(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 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 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 or (ii) purports to affect the legality, validity or enforceability of any Loan Document or the transactions contemplated by the Loan Documents.

(g) Financial Condition. The Consolidated balance sheets of the Parent Guarantor as at December 31, 2022 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, and the Consolidated balance sheets of the Parent Guarantor as at September 30, 2023, and the related Consolidated statements of income and Consolidated statements of cash flows of the Parent Guarantor for the nine months then ended, copies of which have been furnished to each Lender, fairly present, subject, in the case of such balance sheets as at September 30, 2023, and such statements of income and cash flows for the nine months then ended, to year-end audit adjustments, the Consolidated financial condition of the Parent Guarantor as at such dates and the Consolidated results of operations of the Parent Guarantor for the periods ended on such dates, all in accordance with generally accepted accounting principles applied on a consistent basis. Since September 30, 2023 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 Administrative Agent 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 written information, exhibit or report furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender 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 materially misleading. The Loan Parties have disclosed to the Administrative Agent, in writing, any and all existing facts that have or could reasonably be expected to have 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 the Advances 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", as such term is defined in the Investment Company Act of 1940, as amended. Neither the making of the 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 the Investment Company Act of 1940, as amended, 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) No Default. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

(n) [Intentionally Omitted].

(o) [Intentionally Omitted].

(p) Real Property. (i) 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 satisfies all Unencumbered Asset Pool Conditions.

(q) Environmental Matters. (i) Except as otherwise set forth on Part I of Schedule 4.01(q) hereto or, in each case, as would not reasonably be expected to have a Material Adverse Effect: (A) the operations and properties of each Loan Party and each of its Subsidiaries comply with all applicable Environmental Laws and Environmental Permits, (B) all past material non-compliance with such Environmental Laws and Environmental Permits has been resolved without ongoing material obligations or costs, and (C) to the knowledge of each Loan Party and its Subsidiaries, no circumstances exist that could be reasonably likely to (x) form the basis of an Environmental Action against any Loan Party or any of its Subsidiaries or any of their properties or (y) cause any such property to be subject to any restrictions on ownership, occupancy, use or transferability under any Environmental Law.

(ii) Except as otherwise set forth on Part II of Schedule 4.01(q) hereto or, in each case, as would not reasonably be expected to have a Material Adverse Effect: (A) none of the real properties currently or to the knowledge of each Loan Party, formerly owned or operated by any Loan Party, is listed or, to the knowledge of any Loan Party, proposed for listing on the United States Environmental Protection Agency's (EPA) National Priorities List or on the EPA Comprehensive Environmental Response, Compensation, and Liability Information Sharing database or any analogous state or local list, nor to the knowledge of any Responsible Officer of any Consolidated Party is any adjacent property on such list; (B) 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; (C) 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 (D) 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.

(iii) Except as otherwise set forth on Part III of Schedule 4.01(q) hereto or, in each case, as would not reasonably be expected to have a Material Adverse Effect: (A) 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; and (B) 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.

(r) 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.

(s) 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.

(t) Loan Parties' Credit Decisions. Each Loan Party has, independently and without reliance upon the Administrative Agent or any Lender 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, financial condition, operations, performance and properties of such other Loan Party.

(u) 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.

(v) 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.

(w) ERISA Matters. (i) Set forth on Schedule 4.01(w) hereto is a complete and accurate list of all Plans and Welfare Plans as of the Closing Date. Except, in each case, as could not reasonably be expected to result in a Material Adverse Effect:

(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 and furnished to the Lender, 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; and

(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.

(x) OFAC. None of the Loan Parties or any of their respective Subsidiaries nor, to the knowledge of 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 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 Canadian Government, the United Nations Security Council, the European Union or His Majesty's Treasury (collectively, "***Sanctions Laws***"); and the Borrower will not directly or indirectly use the proceeds of the Advances 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 any Borrower, any Guarantor, nor any Subsidiary, director or officer of a Borrower or a Guarantor or, to the knowledge of a Borrower, any Affiliate, agent or employee of any Borrower or any Guarantor, has engaged in any activity or conduct which would violate in any material respect any applicable anti-money laundering laws or regulations in any applicable jurisdiction, including without limitation, any Sanctions Laws, and have instituted and maintained procedures designed to promote and achieve compliance therewith.

(y) Anti-Corruption Laws. The Loan Parties and their respective Subsidiaries and, to the knowledge of any Responsible Officer of the Borrower, all directors, officers, employees, agents or Affiliates of any Loan Party or any of its respective Subsidiaries, have conducted their businesses in compliance in all material respects with applicable Anti-Corruption Laws and the Trading with the Enemy Act.

(z) Affected Financial Institution. No Loan Party nor any Subsidiary of any Loan Party nor any general partner or managing member of any Loan Party, as applicable, is an Affected Financial Institution.

(aa) Beneficial Ownership. The Borrower is in compliance in all material respects with any applicable requirements of the Beneficial Ownership Regulation. The information included in the most recent Beneficial Ownership Certification, if any, delivered by the Borrower is true and correct in all respects.

ARTICLE V
COVENANTS OF THE LOAN PARTIES

SECTION 5.01. Affirmative Covenants. So long as any Advance or any other Obligation (other than contingent indemnity and reimbursement obligations for which no claim has been made) shall remain unpaid or unsatisfied, or any Lender shall have any Term Loan 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 material 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 (other than Permitted Liens); *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, but in no event shall such amounts be lower or coverages be less comprehensive than the respective insurance amounts and coverages maintained by the Borrower and its Subsidiaries on the Closing Date approved by the Administrative Agent.

(e) Preservation of Partnership or Corporate Existence, Etc. Preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its legal existence and the rights, permits, licenses, approvals, privileges and franchises, except (other than the maintenance of the legal existence of any Loan Party) where failure to do so could not reasonably be expected 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 Lenders, 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, 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; provided that (i) so long as no Event of Default has occurred and is continuing, (x)

no more than one (1) such visit and inspection by the Administrative Agent during any year shall be at the expense of the Borrower and (y) any such visit and inspection by a Lender shall be at the sole expense of such Lender, and (ii) when an Event of Default has occurred and is continuing, the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice.

(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) [Intentionally Omitted].

(j) Covenant to Guarantee Obligations. (A) Substantially concurrently with the delivery of the 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) (in each case, or such later date as the Administrative Agent shall agree in its sole discretion), 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 (collectively, the "***Guarantor Deliverables***").

(k) Unencumbered Asset Pool Additions. Substantially concurrently 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) [Intentionally Omitted].

(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 if in the reasonable business judgment of the Borrower or 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).

(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) [Intentionally Omitted].

(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, 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) Sanctions and Anti-Corruption Laws. Maintain in effect policies and procedures designed to promote compliance by the Loan Parties and their respective Subsidiaries and their respective directors, officers, employees and agents with applicable Sanctions and Anti-Corruption Laws, the Trading with the Enemy Act and the Patriot Act, and promptly upon the written request of the Administrative Agent, furnish to the Administrative Agent and the Lenders any information that the Administrative Agent or any Lender deems reasonably necessary from time to time in order to ensure compliance with all applicable Sanctions and Anti-Corruption Laws, the Trading with the Enemy Act and the Patriot Act.

(v) Beneficial Ownership. Promptly following any change in beneficial ownership of the Borrower that would render any statement in the existing Beneficial Ownership Certification untrue or inaccurate, furnish to the Administrative Agent (for further delivery by the Administrative Agent to the Lenders in accordance with its customary practice) an updated Beneficial Ownership Certification for the Borrower.

(w) Operating Leases. Promptly (i) perform and observe in all material respects 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 material 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 at least equal support as any other Unsecured Indebtedness of any of the Loan Parties (whether as a 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, 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, the 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 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 the 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) the 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 the Parent Guarantor or any owner or lessee of an Unencumbered Asset, which may only be released as otherwise provided in this Agreement.

SECTION 5.02. Negative Covenants. So long as any Advance or any other Obligation (other than contingent indemnity and reimbursement obligations for which no claim has been made) shall remain unpaid or unsatisfied, or any Lender shall have any Term Loan 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 arising as a result of any "Cash Collateralization" (as defined in the Summit OP Facility (2023) Credit Agreement) (or any comparable term) to the extent required by the Summit OP Facility (2023) Credit Agreement;

(ii) Permitted Liens;

(iii) Liens existing on the Closing Date described on Schedule 5.02(a) 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); *provided*, *however*, that no such Lien shall extend to or cover any Unencumbered Asset;

(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 (ix) 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, the Summit JV MR 1 Facility, the Summit OP Facility (2023) and the Summit SubJV Facility;

(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, any Indebtedness owed by a Loan Party to a Subsidiary that is not a Loan Party shall be subordinated to the Obligations of the Loan Parties under the Loan Documents on terms reasonably acceptable to the Administrative Agent;

(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 Indebtedness described on Schedule 5.02(b) hereto (such Indebtedness, "***Existing Debt***") 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;

(viii) intentionally omitted; and

(ix) 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 or pursuant to a Division) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person, or Divide, 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 (including pursuant to a Division), 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 Sections 5.01(x) and 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, dissolve or Divide if the Borrower determines in good faith that such liquidation, dissolution or Division is in the best interests of the Borrower and the assets or proceeds from the liquidation, dissolution or Division 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 and execute and deliver such documents and instruments as the Borrower may reasonably request to evidence the release of such Guarantor from the Guaranty, which documents and instruments shall be reasonably satisfactory to the Administrative Agent; *provided*, *further*, that in connection with any such release of such Guarantor, the Borrower shall provide a certificate of a Responsible Officer to the Administrative Agent confirming that simultaneously therewith, such Guarantor shall be released from its "Guaranty" (as defined in the Summit OP Facility (2023) Credit Agreement).

(e) Sales, Etc. of Assets. (i) In the case of the Parent Guarantor, sell, lease, transfer or otherwise dispose of (including pursuant to a Division), or grant any option or other right to purchase, lease or otherwise acquire any assets and (ii) 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 (including pursuant to a Division), 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 (including pursuant to a Division), 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 or any TRS Lessee), in each case other than the following Transfers:

(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 direct or indirect interests in Unencumbered Assets to any Person that is not a Loan Party, *provided* that both immediately prior to and on a *pro forma* basis immediately after giving effect to such Transfer: (x) no Default or Event of Default shall exist and (y) the Loan Parties shall be in compliance with the covenants contained in Section 5.04,

(C) the Transfer of any Unencumbered Asset or Unencumbered Assets (or the transfer of any Equity Interests of a Subsidiary that owns such 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) such Transfer does not constitute a Sale and Leaseback Transaction, and 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) (x) 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 (y) no Default or Event of Default shall exist, 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 such Transfer does not constitute a Sale and Leaseback Transaction and 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.

Substantially concurrently with (x) a Transfer of a portion of or 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 a portion of or 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 and the TRS Lessee that has leased such Unencumbered Asset from the Guaranty, *provided* that such Subsidiary Guarantor and the TRS Lessee that has leased such Unencumbered Asset shall be simultaneously released from the "Guaranty" (as defined in the Summit OP Facility (2023) Credit Agreement) as well.

(f) Investments. Make or hold, or permit any of its Subsidiaries to make or hold, any Investment other than:

(i) (x) Investments by the Loan Parties and their Subsidiaries in their Subsidiaries outstanding on the Closing Date and (y) other Investments outstanding on the Closing Date and set forth on Schedule 5.02(f);

(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) additional Investments (including pursuant to a Division) in 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, investments in Joint Ventures or Divisions),

(B) Investments in unimproved land, Real Property that does not constitute Hotel Assets (it being understood that this clause (B) shall not be interpreted to restrict Investments in 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),

(C) Investments in Joint Ventures of any Loan Party, and

(D) 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.

(g) 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, including, in each case, by way of a Division (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 (i) 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 any provision of this Agreement and (ii) the Parent Guarantor may make Restricted Payments (and Borrower may make Restricted Payments to Parent Guarantor to enable Parent Guarantor to make Restricted Payments) without the prior consent of the Required Lenders in any twelve-month period in an amount not to exceed such amount that is reasonably necessary for the Parent Guarantor to (x) maintain its status as a REIT and (y) not be subject to federal or state income or excise taxes, except that no Restricted Payments shall be permitted in reliance on this proviso following an acceleration of the Advances pursuant to Section 6.02 or following the occurrence of an Event of Default under Section 6.01(a) or Section 6.01(f); *provided further, however,* that payments for, in respect of or in connection with Permitted Convertible Notes (prior to conversion thereof) or Permitted Convertible Notes Swap Contracts shall not constitute Restricted Payments.

(h) Amendments of Constitutive Documents. Amend, or permit any of its Subsidiaries to amend its limited liability company agreement, partnership agreement, certificate of incorporation or bylaws or other constitutive documents in a manner that is materially adverse to the Lenders, *provided* that 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 materially adverse" for purposes of this Section.

(i) 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.

(j) 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.

(k) 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, the Summit JV MR1 Facility, the Summit OP Facility (2023) and the Summit SubJV Facility, (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.

(l) 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, 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.

(m) Negative Pledge. Enter into or suffer to exist, or permit any of its Subsidiaries (x) that directly or indirectly own (including pursuant to a Qualifying Ground Lease) any Unencumbered Assets or lease any Unencumbered Assets pursuant to an Operating Lease to enter into or suffer to exist, any Negative Pledge upon any of its property or assets (including, without limitation, any Unencumbered Assets), except pursuant to the Loan Documents and the Summit OP Facility (2023) or (y) that do not directly or indirectly own any Unencumbered Assets 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 and under the Summit JV MR1 Facility, the Summit OP Facility (2023) and the Summit SubJV Facility 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).

(n) 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 and under the Summit OP Facility (2023); (iv) the making of equity or subordinate debt Investments in the Borrower and its Subsidiaries, *provided* that each such Investment (other than an Investment constituting the acquisition of common Equity Interests) 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.

(o) 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.

(p) 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.

(q) Multiemployer Plans. Neither any Loan Party nor any ERISA Affiliate will contribute to or be required to contribute to any Multiemployer Plan.

(r) 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.

(s) Transactions with Affiliates. Enter into any transaction with its Affiliates except (i) transactions occurring in the ordinary course of the business of owning and operating hotels (it being acknowledged by the Lenders that operating leases, loans, and guaranties of indebtedness are all in the ordinary course of business) on terms 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, (ii) transactions between or among the Loan Parties and their respective wholly-owned Subsidiaries not involving any other Affiliate, (iii) payment of compensation and benefits arising out of employment and consulting relationships in the ordinary course of business (including, without limitation, conversions of such compensation and benefits to equity under the terms of any long-term incentive plan) and (iv) any Restricted Payment permitted by Section 5.02(g).

(t) 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 and under the Summit OP Facility (2023); (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.

(u) Sanctioned Persons. Directly or indirectly use or permit or allow any of its Subsidiaries to directly or indirectly use the proceeds of the Advances 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.

(v) 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, 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 Section 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. Notwithstanding the foregoing, it is acknowledged and agreed that the Summit OP Facility (2023) Credit Agreement as in effect on the Closing Date shall not be in violation of this Section 5.02(v); *provided* that any future amendment, restatement or other modification or refinancing of the Summit OP Facility (2023) Credit Agreement shall be required to comply with the requirements set forth herein. 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 5.03. Reporting Requirements. So long as any Advance or any other Obligation (other than contingent indemnity and reimbursement obligations for which no claim has been made) shall remain unpaid or unsatisfied, or any Lender shall have any Term Loan Commitment hereunder, the Borrower will furnish to the Administrative Agent (for subsequent delivery by the Administrative Agent to the Lenders) in accordance with Section 9.02(b):

(a) Default Notice. As soon as possible and in any event within five Business Days after a Responsible Officer obtaining knowledge of 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, commencing with the Fiscal Year ended December 31, 2023, 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 an unqualified opinion of KPMG LLP, Ernst & Young LLP or other independent public accountants of recognized standing reasonably acceptable to the Administrative Agent. 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 as well as, for informational purposes only, reporting of financial information for covenant compliance calculations, *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).

(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 (other than any Lien described in clause (a), (b), (f), (g), (l), (m) or (n) of the definition of Permitted Liens), 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) Material Contract. As soon as available, a copy of any Material Contract entered into with respect to any Unencumbered Asset after the date hereof.

(q) Other Information. Promptly, such other information respecting, and which is reasonably foreseeable to be material to, the business, financial condition, operations, performance or properties of any Loan Party or any of its Subsidiaries as the Administrative Agent, or any Lender through the Administrative Agent, may from time to time reasonably request.

SECTION 5.04. Financial Covenants. So long as any Advance or any other Obligation (other than contingent indemnity and reimbursement obligations for which no claim has been made) shall remain unpaid or unsatisfied, or any Lender shall have any Term Loan Commitment hereunder, the Parent Guarantor will:

(a) Parent Guarantor Financial Covenants.

(i) Maximum Leverage Ratio. Maintain as of the last day of each fiscal quarter of the Parent Guarantor, a Leverage Ratio of not greater than:

(A) [intentionally omitted],

(B) [intentionally omitted],

(C) [intentionally omitted], and

(D) for the first quarter of calendar year 2024 ending March 31, 2024 and thereafter, 7.25 to 1.00.

(ii) Minimum Consolidated Tangible Net Worth. Maintain at all times a Consolidated Tangible Net Worth of not less than the sum of (A) $1,569,088,102, *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 March 31, 2023.

(iii) [Intentionally Omitted].

(iv) Minimum Consolidated Fixed Charge Coverage Ratio. Maintain as of the last day of each fiscal quarter of the Parent Guarantor, commencing with the fiscal quarter ended March 31, 2024, a Consolidated Fixed Charge Coverage Ratio of not less than 1.50 to 1.00.

(v) Maximum Secured Leverage Ratio. Maintain as of the last day of each fiscal quarter of the Parent Guarantor, commencing with the fiscal quarter ended March 31, 2024, a ratio of Secured Indebtedness to Total Asset Value equal to not more than 45%.

(vi) Maximum Secured Recourse Leverage Ratio. Maintain as of the last day of each fiscal quarter of the Parent Guarantor, commencing with the fiscal quarter ended March 31, 2024, 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 as of the last day of each fiscal quarter of the Parent Guarantor, commencing with the fiscal quarter ended March 31, 2024, a ratio of Consolidated Unsecured Indebtedness of the Parent Guarantor to Unencumbered Asset Value of less than or equal to 60%.

(ii) Minimum Unsecured Interest Coverage Ratio. Maintain as of the last day of each fiscal quarter of the Parent Guarantor, commencing with the fiscal quarter ended March 31, 2024, a ratio of Unencumbered Adjusted NOI to Assumed Unsecured Interest Expense (the "***Unsecured Interest Coverage Ratio***") equal to or greater than 2.00 to 1.00.

(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.

ARTICLE VI
EVENTS OF DEFAULT

SECTION 6.01. 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

(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) or (v), 5.02, 5.03(a), (g), (k), (l), (m), 5.04 or 9.10(d), 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 the Administrative Agent or any Lender; 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; 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; *provided* that, and for the avoidance of doubt, the settlement by the Parent Guarantor of conversions of Permitted Convertible Notes by the holders thereof, whether through the delivery of shares of common stock of the Parent, cash or a combination thereof in accordance with the terms of such Permitted Convertible Notes shall not constitute an Event of Default under this Section 6.01(e).

(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 (including any Bail-In Action), 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 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, 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.

ARTICLE VII
GUARANTY

SECTION 7.01. 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 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 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 Lenders 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 and, by its acceptance of the benefits of this Guaranty, each other Lender, 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 Lenders and, by their acceptance of the benefits of this Guaranty, the other Lenders 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 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 Lenders under or in respect of the Loan Documents.

SECTION 7.02. 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 Lender 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 Lender to disclose to any Loan Party any information relating to the business, financial condition, operations, performance or properties of any other Loan Party now or hereafter known to the Administrative Agent or such Lender (each Guarantor waiving any duty on the part of the Administrative Agent and each Lender 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 Lender 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 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 7.03. 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 Lender 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 (including without limitation any such right arising under California Civil Code Section 2815) 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 and all rights and defenses available to it by reason of Sections 2787 to 2855, inclusive, 2899 and 3433 of the California Civil Code, including without limitation any and all rights or defenses such Guarantor may have by reason of protection afforded to the principal with respect to any of the Guaranteed Obligations, or to any other guarantor of any of the Guaranteed Obligations with respect to any of such guarantor's obligations under its guaranty, in either case pursuant to the antideficiency or other laws of the State of California limiting or discharging the principal's indebtedness or such guarantor's obligations, including without limitation Section 580a, 580b, 580d or 726 of the California Code of Civil Procedure, (ii) any defense arising by reason of any claim or defense based upon an election of remedies by the Administrative Agent or any other Secured 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 (iii) any defense based on any right of set-off or counterclaim against or in respect of the Obligations of such Guarantor hereunder. As provided

below, this Guaranty shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York. This Section 7.03(c) is included solely out of an abundance of caution, and shall not be construed to mean that any of the above referenced provisions of California law are in any way applicable to this Guaranty or to any of the Guaranteed Obligations.

(d) [Intentionally Omitted].

(e) Each Guarantor hereby unconditionally and irrevocably waives any duty on the part of the Administrative Agent or any Lender to disclose to such Guarantor any matter, fact or thing relating to the business, financial condition, operations, performance or properties of the Borrower, any other Loan Party or any of their Subsidiaries now or hereafter known by the Administrative Agent or such Lender.

(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 7.04. 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 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 Term Loan 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 Term Loan 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 Lenders, 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 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 Term Loan Commitments shall have occurred and (iv) all Guaranteed Hedge Agreements shall have expired or been terminated, the Administrative Agent and the Lenders 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 7.05. 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 7.06. Indemnification by Guarantors. (a) Without limitation on any other Obligations of any Guarantor or remedies of the Administrative Agent or the Lenders 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 Arrangers, the Bookrunners, each Lender 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 7.07. 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 Lenders 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 Lenders 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 7.08. 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 Term Loan 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 Lenders and their successors, transferees and assigns.

SECTION 7.09. 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 ADMINISTRATIVE AGENT

SECTION 8.01. Appointment and Authority. Each Lender (on behalf of itself and its Affiliates as potential Hedge Banks) hereby irrevocably appoints Regions Bank to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article VIII (other than Sections 8.06 and 8.10) are solely for the benefit of the Administrative Agent and the Lenders, and, other than with respect to Sections 8.06 and 8.10, neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

SECTION 8.02. Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind banking, trust, financial, advisory, underwriting or other of business with any Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or to provide notice or consent of the Lenders with respect thereto.

SECTION 8.03. Exculpatory Provisions. None of the Administrative Agent, any Arranger or any Bookrunner, as applicable, shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and their respective duties hereunder (if any) shall be administrative in nature. Without limiting the generality of the foregoing, none of the Administrative Agent, any Arranger or any Bookrunner, as applicable, and their respective Related Parties:

(a) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including 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;

(c) shall have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, to any Lender any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Loan Parties or any of their Affiliates, that is communicated to, obtained or in the possession of, the Administrative Agent, any Arranger, any Bookrunner or any of their Related Parties in any capacity, except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent herein;

(d) shall be liable for any action taken or not taken by the Administrative Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 9.01 and 6.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Borrower or a Lender; and

(e) shall be responsible for or have any duty or obligation to any Lender or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 8.04. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of an Advance, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is

satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Advance. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 8.05. Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article VIII shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

SECTION 8.06. Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "***Resignation Effective Date***"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above, *provided* that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "***Removal Effective Date***"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 2.12 and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 8.06). The fees payable by the Borrower to a successor

Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article VIII and Section 9.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Administrative Agent was acting as Administrative Agent and (ii) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

SECTION 8.07. Non-Reliance on the Administrative Agent, the Arrangers, the Bookrunners and the Other Lenders. Each Lender expressly acknowledges that none of the Administrative Agent nor any Arranger or Bookrunner has made any representation or warranty to it, and that no act by the Administrative Agent or any Arranger or Bookrunner hereafter taken, including any consent to, and acceptance of any assignment or review of the affairs of any Loan Party of any Affiliate thereof, shall be deemed to constitute any representation or warranty by the Administrative Agent or any Arranger or Bookrunner to any Lender as to any matter, including whether the Administrative Agent or an Arranger or Bookrunner have disclosed material information in their (or their Related Parties') possession. Each Lender represents to the Administrative Agent and the Arrangers and Bookrunners that it has, independently and without reliance upon the Administrative Agent, the Arrangers, the Bookrunners, any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties and their Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Arrangers, the Bookrunners, any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties. Each Lender represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and (ii) it is engaged in making, acquiring or holding commercial loans in the ordinary course and is entering into this Agreement as a Lender for the purpose of making, acquiring or holding commercial loans and providing other facilities set forth herein as may be applicable to such Lender, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender agrees not to assert a claim in contravention of the foregoing. Each Lender represents and warrants that it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities.

SECTION 8.08. No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the syndication agent, co-documentation agents, Arrangers or Bookrunners listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender.

SECTION 8.09. Administrative Agent may File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Advance shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Advances and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.08(b) and 9.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.08 and 9.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

SECTION 8.10. Guaranty Matters. Without limiting the provisions of Section 8.09, the Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion, to release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty as provided in Section 5.02(e). Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty pursuant to this Section 8.10.

SECTION 8.11. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arrangers and Bookrunners and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Advances, the Facility or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Advances, the Facility and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer

and perform the Advances, the Facility and this Agreement, (C) the entrance into, participation in, administration of and performance of the Advances, the Facility and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Advances, the Facility and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Advances, the Facility and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

SECTION 8.12. Recovery of Erroneous Payments. Without limitation of any other provision in this Agreement, if at any time the Administrative Agent makes a payment hereunder in error to any Lender, whether or not in respect of an Obligation due and owing by the Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each Lender receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Lender in same day funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Each Lender irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Lender promptly upon determining that any payment made to such Lender comprised, in whole or in part, a Rescindable Amount.

SECTION 8.13. Indemnification by Lenders. (a) Each Lender severally agrees to indemnify the Administrative Agent (to the extent not promptly reimbursed by the Borrower) from and against such Lender'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 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 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 8.13 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person.

(b) [Intentionally Omitted].

(c) For purposes of this Section 8.13, the Lenders' respective ratable shares of any amount shall be determined, at any time, according to their respective Pro Rata Shares of the Facility Exposure at such time. The failure of any Lender to reimburse the Administrative Agent promptly upon demand for its ratable share of any amount required to be paid by the Lender to the Administrative Agent as provided herein shall not relieve any other Lender of its obligation hereunder to reimburse the Administrative Agent for its ratable share of such amount, but no Lender shall be responsible for the failure of any other Lender to reimburse the Administrative Agent for such other Lender's ratable share of such amount. Without prejudice to the survival of any other agreement of any Lender hereunder, the agreement and obligations of each Lender contained in this Section 8.13 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the other Loan Documents.

SECTION 8.14. Guaranteed Hedge Agreements. No Hedge Bank that obtains the benefits of Section 2.11(f), the Guaranty by virtue of the provisions hereof or of the Guaranty shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article VIII to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Guaranteed Hedge Agreements unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Hedge Bank.

ARTICLE IX
MISCELLANEOUS

SECTION 9.01. 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 Borrower and 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: (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 without the consent of each Lender, (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 such Guarantor or otherwise limit such Guarantor's liability with respect to the Guaranteed Obligations without the consent of each Lender, (iii), modify any provision of this Agreement (including, for the avoidance of doubt, Section 2.13), or add any provision to this Agreement, in a manner that would alter, or would have the effect of altering, the ratable reduction of Term Loan Commitments or Facility Exposure or the pro rata sharing of payments, in each case as otherwise required hereunder, without the consent of each Lender, (iv) amend this Section 9.01 without the consent of each Lender, (v) increase the Term Loan Commitments or Facility Exposure of any Lender or subject any Lender to any additional obligations (except as set forth in Section 2.17) without the consent of such Lender, (vi) forgive or reduce the principal of, or interest on, the Obligations of the Loan Parties under the Loan Documents or any fees or other amounts payable thereunder without the consent of each Lender directly affected thereby, (vii) postpone or extend any date fixed for any payment of principal of, or interest on, any of the Advances or any fees or other amounts payable hereunder (except as provided in Section 2.16) without the consent of each Lender directly affected thereby, (viii) extend the Termination Date (except as provided by Section 2.16) without the consent of each Lender directly affected thereby or (ix) subordinate, or have the effect of subordinating, (A) the Obligations to any other Indebtedness or other obligation or (B) any Lien(s) securing the Obligations to Lien(s) securing any other Indebtedness or other obligation, in each case without the written consent of each Lender; *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. Notwithstanding the foregoing, the Administrative Agent, with the consent of the Borrower, may amend, modify or supplement any Loan Document without the consent of any Lender or the Required Lenders in order to correct,

amend or cure any ambiguity, inconsistency or defect or correct any typographical error or other manifest error in any Loan Document, and such amendment, modification or supplement shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof. The Administrative Agent agrees to provide prompt notice to the Lenders of any such amendment, modification or supplement.

(b) In the event that the Borrower is entitled to replace a Lender pursuant to the provisions of Section 2.10(e), or if any Lender is a Defaulting Lender or if 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 or all Lenders directly affected thereby and that has been consented to by the Administrative Agent and has been approved by the Required Lenders, then the Borrower shall have the right, at its sole expense and effort, upon written demand to such Lender and the Administrative Agent, in the case of a Non-Consenting Lender, given within thirty (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 Lender to assign, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.07, but giving effect to the second to last paragraph of this Section 9.01), all of its interests, rights (other than its existing rights to payments pursuant to Sections 2.10 and 2.12) and obligations under this Agreement and the related Loan Documents (including, without limitation, its Term Loan Commitment or Term Loan 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) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 9.07(b);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 9.04(c)) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.10 or payments required to be made pursuant to Section 2.12, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with Applicable Laws; and

(v) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Each party hereto agrees that (a) an assignment required pursuant to this Section 9.01(b) may be effected pursuant to an Assignment and Acceptance executed by the Borrower, the Administrative Agent and the assignee and (b) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to an be bound by the terms thereof; *provided* that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, *provided*, *further* that any such documents shall be without recourse to or warranty by the parties thereto.

Notwithstanding anything in this Section 9.01(b) to the contrary, the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 9.07.

SECTION 9.02. Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in clause (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower or any other Loan Party or the Administrative Agent, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subclause (b) below, shall be effective as provided in such clause (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail, FpML messaging, and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, *provided* that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender, has notified the Administrative Agent that it is incapable of receiving notices under such Article II by electronic communication. The Administrative Agent or the Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING

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 AGENT IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "***Agent Parties***") have any liability to any Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or the Administrative Agent's transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service, or through the Internet.

(d) Change of Address, Etc. Each of the Borrower and the Administrative Agent may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower and the Administrative Agent. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and Applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Administrative Agent and Lenders. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic notices, Notices of Borrowing and Notices of Loan Prepayment) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties hereby indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

SECTION 9.03. No Waiver; Remedies; Enforcement. No failure on the part of any Lender 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.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 6.02 for the benefit of all the Lenders; *provided, however*, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) [intentionally omitted], (c) any Lender from exercising setoff rights in accordance with Section 9.05 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and *provided, further*, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent

pursuant to Section 6.02 and (ii) in addition to the matters set forth in clauses (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

SECTION 9.04. Costs and Expenses. (a) Each Loan Party agrees jointly and severally to pay on demand (i) all reasonable and documented out-of-pocket costs and expenses of a single firm of counsel and a single firm of local counsel in any reasonably necessary jurisdiction for the Administrative Agent and the Arrangers and Bookrunners 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 and documented 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 or any Arranger or Bookrunner 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 and documented fees and expenses of a single firm of counsel and a single firm of local counsel in any reasonably necessary jurisdiction 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) or 5.01(k) and (ii) all reasonable out-of-pocket costs and expenses of the Administrative Agent, the Arrangers, the Bookrunners and each Lender 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 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 execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby (including, without limitation, the Indemnified Party's reliance on any Communication executed using an Electronic Signature, or in the form of an Electronic Record, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 2.12), (ii) any Advance or the use or proposed use of the proceeds therefrom or (iii) 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, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNIFIED PARTY**, 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 (i) such Indemnified Party's gross negligence or willful misconduct, (ii) such Indemnified Party's material breach of its obligations under this Agreement or (iii) any dispute solely among Indemnified Parties which does not arise out of any act or omission of any Borrower or any of its Subsidiaries (other than Regions Bank in its capacity as Administrative Agent, any Arranger in its capacity as Arranger, any Bookrunner in its capacity as a Bookrunner or any agent acting as such under the Facility). 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 or any of their respective Related Parties, 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. The Loan Parties shall not be liable to the Administrative Agent, any Lender or any of their respective Related Parties or any other Person for any indirect, special, consequential or punitive damages that may be alleged as a result of this Agreement, any other Loan Document or any element of the transactions contemplated hereby; *provided* that the foregoing shall not limit the obligation to reimburse or indemnify any Indemnified Party against claims by third parties for indirect, special or punitive damages. This Section 9.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) If any payment of principal of, or Conversion of, any SOFR Advance is made by the Borrower to or for the account of a Lender 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 (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender 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 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, 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. The obligations and liabilities of each Loan Party under this Section 9.04 shall fully survive indefinitely notwithstanding the exercise of any of Indemnified Party's rights pursuant to Section 726.5 of the California Code of Civil Procedure. This Section 9.04 is intended by the parties to constitute an "environmental provision" as defined in Section 736 of the California Code of Civil Procedure, and the Indemnified Parties shall have all rights and remedies in such section.

SECTION 9.05. 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 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 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 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. If such deposits are not pledged pursuant to a valid security agreement, the prior written consent of the Administrative Agent shall be obtained before any right of set-off shall be exercised. The Administrative Agent and each Lender 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 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 and their respective Affiliates may have. Notwithstanding the above, the Administrative Agent and Lenders 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 9.06. 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 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 Lenders.

SECTION 9.07. 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 Term Loan Commitment or Term Loan Commitments and/or the Advances owing to it and the Note or Notes held by it); *provided*, *however*, that (i) [intentionally omitted], (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 Facility Exposure 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 (A) until the Administrative Agent shall have notified the Lenders that syndication of the Term Loan Commitments hereunder has been completed, without the consent of the Administrative Agent, (B) unless an Event of Default has occurred and is continuing, the Borrower shall have consented to such assignment; *provided* that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof, and (C) at any other time without the consent of the Administrative Agent (which consent, in each case, shall not be unreasonably withheld or delayed) 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 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 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 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 or any other Lender 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 Lenders and the Term Loan Commitment of, and principal amount (and stated interest) of the Advances owing to, each Lender 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 Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or the Administrative Agent or any Lender 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 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 and the Administrative Agent. 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

Facility Exposure assumed by it pursuant to such Assignment and Acceptance and, if any assigning Lender has retained a Term Loan Commitment, a substitute Note to the order of such assigning Lender in an amount equal to the Term Loan Commitment and/or 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 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 Term Loan 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's obligations under this Agreement (including, without limitation, its Term Loan Commitments) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender'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. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.05 as though such Participant were a Lender; *provided*, that such Participant shall be deemed to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Advances or other obligations under the Loan Documents (the "***Participant Register***"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(h) Any Lender 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 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 on the same terms as provided in Section 9.11.

(i) Notwithstanding any other provision set forth in this Agreement, any Lender 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.

(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 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(l), 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 9.08. Electronic Execution; Electronic Records; Counterparts; Execution in Counterparts; Effectiveness. This Agreement, any Loan Document and any other Communication, including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. Each of the Loan Parties and each of the Administrative Agent and each Lender agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on such Person to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Administrative Agent and each of the Lenders may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("***Electronic Copy***"), which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Administrative Agent is not under any obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by such Person pursuant to procedures approved by it; *provided*, *further*, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Loan Party and/or any Lender without further verification and (b) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by such manually executed counterpart.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document (including, for the avoidance of doubt, in connection with the Administrative Agent's reliance on any Electronic Signature transmitted by telecopy, emailed .pdf or any other electronic means). The Administrative Agent shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any Communication (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution or signed using an Electronic Signature) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

Each of the Loan Parties and each Lender hereby waives (i) any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document based solely on the lack of paper original copies of this Agreement, such other Loan Document, and (ii) waives any claim against the Administrative Agent, each Lender and each Related Party for any liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures, including any liabilities arising as a result of the failure of the Loan Parties to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

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. Except as provided in Section 3.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto.

SECTION 9.09. [Intentionally Omitted].

SECTION 9.10. 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*, 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; *third*, 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 *fourth*, 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 and funded by the Lenders pro rata in accordance with the Term Loan Commitments without giving effect to Section 9.10(a)(iv). 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 shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto; and

(iii) no Defaulting Lender shall be entitled to receive any Extension Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(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 each Lender's Pro Rata Share of the Total Outstandings (without giving effect to Section 9.10(a)(iv)), 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.

SECTION 9.11. Confidentiality. (a) Each of the Administrative Agent and each Lender 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, consultants 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, (B) is independently developed by a Lender or its Affiliate or (C) becomes available to the Administrative Agent, such Lender or any of their respective Affiliates on a non-confidential basis from a source other than the Borrower or any of its Subsidiaries without the Administrative Agent, such Lender or any of their respective Affiliates having knowledge that a duty of confidentiality to the Borrower or any of its Subsidiaries has been breached. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the

lending industry and service providers to the Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Term Loan Commitments.

For purposes of this Section, "***Information***" means all information received from the Borrower or any of its Subsidiaries (including the Fee Letter and any information obtained based on a review of the books and records of the Borrower or any of its Subsidiaries) relating to the Borrower 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.

Each of the Administrative Agent and each Lender acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary thereof, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable law, including United States Federal and state securities laws.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or any Arranger and/or any Bookrunner may, but shall not be obligated to, make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "***Borrower Materials***") by posting the Borrower Materials on IntraLinks, Syndtrak, ClearPar, or a substantially similar electronic transmission system (the "***Platform***") and (b) certain of the Lenders (each, a "***Public Lender***") may have personnel who do not wish to receive material non-public information with respect to the Parent or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, each Arranger, each Bookrunner and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (*provided*, *however*, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in this Section); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and the Arrangers and Bookrunners shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

SECTION 9.12. Integration. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Without limiting the foregoing: **THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.**

SECTION 9.13. 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)) (as amended, 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 9.14. Submission to Jurisdiction, Etc. (a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive 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 9.15. Governing Law. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 9.16. WAIVER OF JURY TRIAL. EACH OF THE BORROWER, THE OTHER LOAN PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS 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 IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

SECTION 9.17. Acknowledgment and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

SECTION 9.18. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Guaranteed Hedge Agreements or any other agreement or instrument that is a QFC (such support, "***QFC Credit Support***" and each such QFC a "***Supported QFC***"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "***U.S. Special Resolution Regimes***") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "***Covered Party***") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 9.18, the following terms have the following meanings:

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

(ii) "***Covered Entity***" means any of the following:

(A) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(B) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(C) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

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

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

SECTION 9.19. [Intentionally Omitted].

SECTION 9.20. Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Advance, and shall continue in full force and effect as long as any Advance or any other Obligation hereunder shall remain unpaid or unsatisfied.

SECTION 9.21. No Fiduciary Duties. Each Loan Party agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Administrative Agent, any Lender or any Affiliate thereof, on the one hand, and such Loan Party, its stockholders or its Affiliates, on the other. The Loan Parties agree that the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions. Each Loan Party agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each of the Loan Parties acknowledges that the Administrative Agent, the Lenders and their respective Affiliates may have interests in, or may be providing or may in the future provide financial or other services to other parties with interests which a Loan Party may regard as conflicting with its interests and may possess information (whether or not material to the Loan Parties) other than as a result of (x) the Administrative Agent acting as administrative agent hereunder or (y) the Lenders acting in their respective capacities as such hereunder, that the Administrative Agent or any such Lender may not be entitled to share with any Loan Party. Without prejudice to the foregoing, each of the Loan Parties agrees that the Administrative Agent, the Lenders and their respective Affiliates may (a) deal (whether for its own or its customers' account) in, or advise on, securities of any Person, and (b) 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 other Persons in each case, as if the Administrative Agent were not the Administrative Agent and as if the Lenders were not Lenders, and without any duty to account therefor to the Loan Parties. Each of the Loan Parties hereby irrevocably waives, in favor of the Administrative Agent, the syndication agent, the co-documentation agents, and/or the Lenders and the Arrangers and Bookrunners, any conflict of interest which may arise by virtue of the Administrative Agent, the Arrangers, the Bookrunners, the syndication agent, the co-documentation agents and/or the Lenders acting in various capacities under the Loan Documents or for other customers of the Administrative Agent, any Arranger, any Bookrunner or any Lender as described in this Section 9.21.

[Balance of page intentionally left blank – Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or representatives 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 Jonathan Stanner
Name: Jonathan Stanner
Title: President and Chief Executive Officer

PARENT GUARANTOR:

SUMMIT HOTEL PROPERTIES, INC., a Maryland corporation

By: /s Jonathan Stanner
Name: Jonathan Stanner
Title: President and Chief Executive Officer

GUARANTORS:

CARNEGIE HOTELS, LLC, a Georgia limited liability company

By: s/ Christopher Eng
Name: Christopher Eng
Title: Secretary

BP WATERTOWN HOTEL LLC, a Massachusetts limited liability company

By: s/ Christopher Eng
Name: Christopher Eng
Title: Secretary

SUMMIT HOSPITALITY I, LLC,
SUMMIT HOSPITALITY 19, LLC,
SUMMIT HOSPITALITY 21, LLC,
SUMMIT HOSPITALITY 22, LLC,
SUMMIT HOSPITALITY 25, LLC,
SUMMIT HOSPITALITY 036, LLC,
SUMMIT HOSPITALITY 057, LLC,
SUMMIT HOSPITALITY 060, LLC,
SUMMIT HOSPITALITY 084, LLC,
SUMMIT HOSPITALITY 092, LLC,
SUMMIT HOSPITALITY 100, LLC,
SUMMIT HOSPITALITY 103, LLC,
SUMMIT HOSPITALITY 110, LLC,
SUMMIT HOSPITALITY 111, LLC,
SUMMIT HOSPITALITY 114, LLC,
SUMMIT HOSPITALITY 116, LLC,
SUMMIT HOSPITALITY 117, LLC,
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SUMMIT HOSPITALITY 140, LLC,
SUMMIT HOSPITALITY 141, LLC,
SUMMIT HOSPITALITY 143, LLC,
SUMMIT HOSPITALITY 144, LLC,
SUMMIT HOSPITALITY 145, LLC
SUMMIT HOSPITALITY XIV, LLC,
SUMMIT HOSPITALITY XIII, LLC, and
SAN FRAN JV, LLC,
each a Delaware limited liability company

By: /s Jonathan Stanner
Name: Jonathan Stanner
Title: Chief Manager

SUMMIT HOTEL TRS 007, LLC,
SUMMIT HOTEL TRS 014, LLC,
SUMMIT HOTEL TRS 024, LLC,
SUMMIT HOTEL TRS 027, LLC,
SUMMIT HOTEL TRS 030, LLC,
SUMMIT HOTEL TRS 036, LLC,
SUMMIT HOTEL TRS 037, LLC,
SUMMIT HOTEL TRS 048, LLC,
SUMMIT HOTEL TRS 051, LLC,
SUMMIT HOTEL TRS 057, LLC,
SUMMIT HOTEL TRS 060, LLC,
SUMMIT HOTEL TRS 066, LLC,
SUMMIT HOTEL TRS 084, LLC,
SUMMIT HOTEL TRS 092, LLC,
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SUMMIT HOTEL TRS 098, LLC,
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SUMMIT HOTEL TRS 137, LLC,
SUMMIT HOTEL TRS 138, LLC,
SUMMIT HOTEL TRS 140, LLC,
SUMMIT HOTEL TRS 141, LLC,
SUMMIT HOTEL TRS 143, LLC,
SUMMIT HOTEL TRS 144, LLC,
SUMMIT HOTEL TRS 145, LLC, and

SUMMIT HOTEL TRS 146, LLC,
each a Delaware limited liability company

By: Summit Hotel TRS, Inc., a Delaware corporation, the sole member of each of the above referenced Delaware limited liability companies

By: /s Jonathan Stanner
Name: Jonathan Stanner
Title: President

REGIONS BANK,
as Administrative Agent

By: /s Rob MacGregor
Name: Rob MacGregor
Title: Managing Director

REGIONS BANK,
as a Lender

By: /s Rob MacGregor
Name: Rob MacGregor
Title: Managing Director

CAPITOL ONE, NATIONAL ASSOCIATION,
as a Lender

By: /s Jessica W. Phillips
Name: Jessica W. Phillips
Title: Authorized Signatory

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s Travis Myers
Name: Travis Myers
Title: Senior Vice President

RAYMOND JAMES BANK,
as a Lender

By: /s Alexander Sierra
Name: Alexander Sierra
Title: Senior Vice President

TRUIST BANK,
as a Lender

By: /s C. Vincent Hughes, Jr.
Name: C. Vincent Hughes, Jr.
Title: Director

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
Summit Hotel TRS, Inc	Delaware
Summit Hotel TRS 147-A, Inc.	Delaware
Summit Hotel TRS 148, Inc.	Delaware
Summit Hotel TRS 150, Inc.	Delaware
Summit Hotel TRS 151, Inc.	Delaware
Summit Hotel TRS 152, Inc.	Delaware
Summit Hotel TRS 154, Inc.	Delaware
Summit Hotel TRS 155, Inc.	Delaware
Summit JV TRS 52-53, Inc.	Delaware
Summit JV TRS 101, Inc.	Delaware
Summit JV TRS 129, Inc.	Delaware
Summit JV TRS 139, Inc.	Delaware
Summit PA JV 1, LLC	Delaware
Summit PA JV 2, LLC	Delaware
Summit PA JV 139 Owner, LLC	Delaware
Summit PA JV Holding BR 139, LLC	Delaware
Summit JV TRS 142, Inc.	Delaware
Summit NCI Master TRS, Inc.	Delaware
Summit Arlington CTY License, LLC	Delaware
Summit Licensing 121, LLC	Delaware
Summit Licensing 137, LLC	Delaware
BP Watertown Victualer, LLC	Massachusetts
Summit Hotel Blackstone Licensing, LLC	Texas
Summit Hotel Blackstone Holding, LLC	Texas
Summit Meta 2017, LLC	Delaware
Summit Hospitality I, LLC	Delaware
Summit Hospitality XIII, LLC	Delaware
Summit Hospitality XIV, LLC	Delaware
Summit Hospitality 052-053, LLC	Delaware
Summit IHG JV, LLC	Delaware
San Fran JV, LLC	Delaware
Carnegie Hotels, LLC	Georgia
Summit Hospitality 19,LLC	Delaware
Summit Hospitality 21, LLC	Delaware
Summit Hospitality 22, LLC	Delaware
Summit Hospitality 25, LLC	Delaware
Summit Hospitality 036, LLC	Delaware

ENTITY	STATE OF INCORPORATION OR ORGANIZATION
Summit Hospitality 057, LLC	Delaware
Summit Hospitality 060, LLC	Delaware
Summit Hospitality 084, LLC	Delaware
Summit Hospitality 085, LLC	Delaware
Summit Hospitality 092, LLC	Delaware
Summit Hospitality 100, LLC	Delaware
Summit Hospitality 101, LLC	Delaware
Summit Hospitality 103, 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 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

ENTITY	STATE OF INCORPORATION OR ORGANIZATION
Summit Hospitality 153, LLC	Delaware
BP Watertown Hotel, LLC	Massachusetts
Summit Hotel GP 2, LLC	Delaware
Summit Hospitality JV, LP	Delaware
Summit Hospitality SubJV, LLC	Delaware
Summit JV MR 1, LLC	Delaware
Summit JV MR 2, LLC	Delaware
Summit JV MR 3, LLC	Delaware
Summit NCI NOLA BR 184, LLC	Delaware
Silverthorne JV 147, LLC	Delaware
Silverthorne JV BR 147, LLC	Delaware
Silverthorne JV 148, LLC	Delaware
Silverthorne JV BR 148, LLC	Delaware
HG San Jose JV 150, LLC	Delaware
HG San Jose JV BR 150, LLC	Delaware
RI Port River JV 151, LLC	Delaware
RI Port River JV BR 151, LLC	Delaware
RI Port Hillsboro JV 152, LLC	Delaware
RI Port Hillsboro JV BR 152, LLC	Delaware
Summit Steam JV BR 154, LLC	Delaware
Summit Steam JV 154, LLC	Delaware
Summit Tucson JV BR 155, LLC	Delaware
Summit Tucson JV 155, LLC	Delaware
Summit JV BR 52-53, LLC	Delaware
Summit JV BR 101, LLC	Delaware
Summit JV BR 129, LLC	Delaware
Summit JV BR 139, LLC	Delaware
Summit JV BR 142, LLC	Delaware
Summit Hotel TRS 014, LLC	Delaware
Summit Hotel TRS 024, LLC	Delaware
Summit Hotel TRS 027, LLC	Delaware
Summit Hotel TRS 030, LLC	Delaware
Summit Hotel TRS 036, LLC	Delaware
Summit Hotel TRS 037, LLC	Delaware
Summit Hotel TRS 048, LLC	Delaware
Summit Hotel TRS 051, LLC	Delaware
Summit Hotel TRS 052, LLC	Delaware
Summit Hotel TRS 053, LLC	Delaware
Summit Hotel TRS 057, LLC	Delaware

ENTITY	STATE OF INCORPORATION OR ORGANIZATION
Summit Hotel TRS 060, LLC	Delaware
Summit Hotel TRS 066, LLC	Delaware
Summit Hotel TRS 084, LLC	Delaware
Summit Hotel TRS 085, LLC	Delaware
Summit Hotel TRS 092, LLC	Delaware
Summit Hotel TRS 094, LLC	Delaware
Summit Hotel TRS 098, LLC	Delaware
Summit Hotel TRS 099, LLC	Delaware
Summit Hotel TRS 100, LLC	Delaware
Summit Hotel TRS 101, LLC	Delaware
Summit Hotel TRS 102, LLC	Delaware
Summit Hotel TRS 103, LLC	Delaware
Summit Hotel TRS 104, LLC	Delaware
Summit Hotel TRS 105, LLC	Delaware
Summit Hotel TRS 106, LLC	Delaware
Summit Hotel TRS 107, LLC	Delaware
Summit Hotel TRS 108, LLC	Delaware
Summit Hotel TRS 109, LLC	Delaware
Summit Hotel TRS 110, LLC	Delaware
Summit Hotel TRS 111, LLC	Delaware
Summit Hotel TRS 113, LLC	Delaware
Summit Hotel TRS 114, LLC	Delaware
Summit Hotel TRS 115, LLC	Delaware
Summit Hotel TRS 116, LLC	Delaware
Summit Hotel TRS 117, LLC	Delaware
Summit Hotel TRS 118, LLC	Delaware
Summit Hotel TRS 119, LLC	Delaware
Summit Hotel TRS 120, LLC	Delaware
Summit Hotel TRS 121, LLC	Delaware
Summit Hotel TRS 123, LLC	Delaware
Summit Hotel TRS 126, LLC	Delaware
Summit Hotel TRS 127, LLC	Delaware
Summit Hotel TRS 128, LLC	Delaware
Summit Hotel TRS 129, LLC	Delaware
Summit Hotel TRS 130, LLC	Delaware
Summit Hotel TRS 131, LLC	Delaware
Summit Hotel TRS 132, LLC	Delaware
Summit Hotel TRS 133, LLC	Delaware
Summit Hotel TRS 134, LLC	Delaware

ENTITY	STATE OF INCORPORATION OR ORGANIZATION
Summit Hotel TRS 135, LLC	Delaware
Summit Hotel TRS 136, LLC	Delaware
Summit Hotel TRS 137, LLC	Delaware
Summit Hotel TRS 138, LLC	Delaware
Summit Hotel TRS 139, LLC	Delaware
Summit Hotel TRS 140, LLC	Delaware
Summit Hotel TRS 141, LLC	Delaware
Summit Hotel TRS 142, LLC	Delaware
Summit Hotel TRS 143, LLC	Delaware
Summit Hotel TRS 144, LLC	Delaware
Summit Hotel TRS 145, LLC	Delaware
Summit Hotel TRS 146, LLC	Delaware
Summit Hotel TRS 148, LLC	Delaware
Summit Hotel TRS 150, LLC	Delaware
Summit Hotel TRS 151, LLC	Delaware
Summit Hotel TRS 152, LLC	Delaware
Summit Hotel TRS 153, LLC	Delaware
Summit Hotel TRS 154, LLC	Delaware
Summit Hotel TRS 155, LLC	Delaware
Summit Hotel TRS 156, LLC	Delaware
Summit Hotel TRS 157, LLC	Delaware
Summit Hotel TRS 158, LLC	Delaware
Summit Hotel TRS 159, LLC	Delaware
Summit Hotel TRS 160, LLC	Delaware
Summit Hotel TRS 161, LLC	Delaware
Summit Hotel TRS 162, LLC	Delaware
Summit Hotel TRS 163, LLC	Delaware
Summit Hotel TRS 164, LLC	Delaware
Summit Hotel TRS 165, LLC	Delaware
Summit Hotel TRS 166, LLC	Delaware
Summit Hotel TRS 167, LLC	Delaware
Summit Hotel TRS 168, LLC	Delaware
Summit Hotel TRS 169, LLC	Delaware
Summit Hotel TRS 170, LLC	Delaware
Summit Hotel TRS 171, LLC	Delaware
Summit Hotel TRS 172, LLC	Delaware
Summit Hotel TRS 173, LLC	Delaware
Summit Hotel TRS 174, LLC	Delaware
Summit Hotel TRS 175, LLC	Delaware

ENTITY	STATE OF INCORPORATION OR ORGANIZATION
Summit Hotel TRS 176, LLC	Delaware
Summit Hotel TRS 177, LLC	Delaware
Summit Hotel TRS 178, LLC	Delaware
Summit Hotel TRS 179, LLC	Delaware
Summit Hotel TRS 180, LLC	Delaware
Summit Hotel TRS 181, LLC	Delaware
Summit Hotel TRS 182, LLC	Delaware
Summit Hotel TRS 183, LLC	Delaware
Summit Hotel TRS 184, LLC	Delaware
Summit NCI JV BR 156-159, LLC	Delaware
Summit NCI JV BR 160, LLC	Delaware
Summit NCI JV BR 161, LLC	Delaware
Summit NCI JV BR 162, LLC	Delaware
Summit NCI JV BR 163-164, LLC	Delaware
Summit NCI JV BR 165, LLC	Delaware
Summit NCI JV BR 166, LLC	Delaware
Summit NCI JV BR 167-168, LLC	Delaware
Summit NCI JV BR 169, LLC	Delaware
Summit NCI JV BR 171, LLC	Delaware
Summit NCI JV BR 171-A, LLC	Delaware
Summit NCI JV BR 172, LLC	Delaware
Summit NCI JV BR 173, LLC	Delaware
Summit NCI JV BR 174, LLC	Delaware
Summit NCI JV BR 175, LLC	Delaware
Summit NCI JV BR 176, LLC	Delaware
Summit NCI JV BR 177, LLC	Delaware
Summit NCI JV BR 178, LLC	Delaware
Summit NCI JV BR 179, LLC	Delaware
Summit NCI JV BR 180, LLC	Delaware
Summit NCI JV BR 181, LLC	Delaware
Summit NCI JV BR 182-183, LLC	Delaware
Summit NCI JV BR 184, LLC	Delaware
Summit NCI JV 158, LLC	Delaware
Summit NCI JV 159, LLC	Delaware
Summit NCI JV 160, LLC	Delaware
Summit NCI JV 161, LLC	Delaware
Summit NCI JV 162, LLC	Delaware
Summit NCI JV 165, LLC	Delaware
Summit NCI JV 166, LLC	Delaware

ENTITY	STATE OF INCORPORATION OR ORGANIZATION
Summit NCI JV 169, LLC	Delaware
Summit NCI JV TRS 170, LLC	Delaware
Summit NCI JV 171, LLC	Delaware
Summit NCI JV 172, LLC	Delaware
Summit NCI JV 173, LLC	Delaware
Summit NCI JV 175, LLC	Delaware
Summit NCI JV 176, LLC	Delaware
Summit NCI JV 177, LLC	Delaware
Summit NCI JV 178, LLC	Delaware
Summit NCI JV 181, LLC	Delaware
Summit NCI JV 182-183, LLC	Delaware
Summit NCI JV 156-157, LLC	Delaware
Summit NCI JV 179, LLC	Delaware
Summit NCI JV 167-168, LLC	Delaware
Summit NCI JV 184, LLC	Delaware
Summit NCI JV 174, LLC	Delaware
Summit NCI JV 180, LLC	Delaware
Summit NCI JV 163-164, LLC	Delaware
Summit Fredericksburg JV, LLC	Delaware
173 Basse Lane, LLC	Texas
Basse 2, LLC	Texas
SHP Onera JV TRS, LLC	Delaware
Summit Hotel TRS 188, LLC	Delaware
C-F Brickell Hotel Unit Owner, LLC	Delaware
SHP Brickell JV TRS, LLC	Delaware
Summit Brickell JV TRS, LLC	Delaware
Summit Hotel TRS 185, LLC	Delaware
Summit Hotel TRS 186, LLC	Delaware
Summit Hotel TRS Rooftop, LLC	Delaware
Summit Hotel TRS 190, LLC	Delaware
Summit MR 1 Master TRS, Inc.	Delaware
Summit JV BR 191, LLC	Delaware
Summit Hospitality 190, LLC	Delaware
Summit Hospitality 191, LLC	Delaware
Summit Hotel TRS 191, LLC.	Delaware
1712 Commerce Master Tenant, LLC.	Texas
Supreme Bright Dallas II Subtenant, LLC.	Texas

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. 333-264796) 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-8 No. 333-172145) pertaining to the 2011 Equity Incentive Plan of Summit Hotel Properties, Inc., and
(4) Registration Statement (Form S-8 No. 333-256268) pertaining to the 2011 Equity Incentive Plan of Summit Hotel Properties, Inc.

of our reports dated February 28, 2024, with respect to the consolidated financial statements and schedule 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, 2023.

/s/ Ernst & Young LLP

Austin, Texas

February 28, 2024

Exhibit 31.1

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jonathan P. Stanner, certify that:

1. I have reviewed this Quarterly 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 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 28, 2024

/s/ Jonathan P. Stanner

Jonathan P. Stanner
President, Chief Executive Officer and Director
(principal executive officer)

Exhibit 31.2

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, William H. Conkling, certify that:

1. I have reviewed this Quarterly 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 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 28, 2024

/s/ William H. Conkling

William H. Conkling
Executive Vice President and Chief Financial Officer
(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, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan P. Stanner, President, Chief Executive Officer and Director 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 28, 2024

/s/ Jonathan P. Stanner

Jonathan P. Stanner
President, Chief Executive Officer and Director
(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, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William H. Conkling, Executive Vice President and Chief Financial 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 28, 2024

/s/ William H. Conkling

William H. Conkling
Executive Vice President and Chief Financial Officer
(principal financial officer)

SUMMIT HOTEL PROPERTIES, INC.
POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Summit Hotel Properties, Inc. (the "Company") has adopted this Policy for Recovery of Erroneously Awarded Compensation (the "Policy"), effective as of October 2, 2023 (the "Effective Date"). Capitalized terms used in this Policy but not otherwise defined herein are defined in Section 11.

1. Persons Subject to Policy

This Policy shall apply to current and former Officers of the Company. Each Officer shall be required to sign an acknowledgment pursuant to which such Officer will agree to be bound by the terms of, and comply with, this Policy; however, any Officer's failure to sign any such acknowledgment shall not negate the application of this Policy to the Officer.

2. Compensation Subject to Policy

The recovery under Section 3 of this Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is "received" shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is "received" in the Company's fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

In addition to (and without limiting) the provisions of Section 3, the Committee may in its discretion recover from a current and former Officer that the Committee determines engaged in misconduct related to the Restatement, Incentive-Based Compensation, compensation earned based on performance goals that do not relate to a Financial Reporting Measure and/or cash or equity awards that vest based solely by reference to continued employment or service (together, the "Other Covered Compensation"), in each case which was granted or earned before or after the Effective Date in the Three Year Period, with such recovery to apply in the manner determined by the Committee.

3. Recovery of Compensation

In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee has determined that recovery would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements

are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation or Other Covered Compensation under this Policy will not give rise to any person's right to voluntarily terminate employment for "good reason," or due to a "constructive termination" (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

4. Manner of Recovery; Limitation on Duplicative Recovery

The Committee shall, in its sole discretion, determine the manner of recovery of any Erroneously Awarded Compensation and/or Other Covered Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of Incentive-Based Compensation, Erroneously Awarded Compensation or Other Covered Compensation, reimbursement or repayment by any person subject to this Policy of the Erroneously Awarded Compensation and/or Other Covered Compensation, and, to the extent permitted by law, an offset of the Erroneously Awarded Compensation and/or Other Covered Compensation against other compensation payable by the Company or an affiliate of the Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of Erroneously Awarded Compensation and/or Other Covered Compensation already recovered by the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements, the amount of Erroneously Awarded Compensation or Other Covered Compensation already recovered by the Company from the recipient of such Erroneously Awarded Compensation and/or Other Covered Compensation may be credited to the amount of Erroneously Awarded Compensation and/or Other Covered Compensation required to be recovered pursuant to this Policy from such person.

5. Administration

This Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board of Directors of the Company (the "Board") may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the "Committee" shall be deemed to be references to the Board. Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company and its affiliates, equity holders and employees. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

6. Interpretation

The recovery of Incentive-Based Compensation that is Erroneously Awarded Compensation under Section 3 and related applicable sections of Policy shall be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent they are is inconsistent with such Applicable Rules, it shall be deemed amended to the

minimum extent necessary to ensure compliance therewith.

7. No Indemnification; No Liability

The Company shall not indemnify or insure any person against the loss of any Erroneously Awarded Compensation or Other Covered Compensation pursuant to this Policy, nor shall the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person's potential obligations under this Policy. None of the Company, an affiliate of the Company or any member of the Committee or the Board shall have any liability to any person as a result of actions taken under this Policy.

8. Application; Enforceability

As of the Effective Date, this Policy amends, restates and supersedes in its entirety the Company's Compensation Recovery Policy, adopted on February 20, 2020. Except as set forth herein or otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any other clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained in any employment agreement, bonus plan, incentive plan, equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (the "Other Recovery Arrangements"). The remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Company or an affiliate of the Company.

9. Severability

The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

10. Amendment and Termination

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association.

11. Definitions

"Applicable Rules" means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company's securities are listed, and any applicable rules, standards or other guidance adopted by

the Securities and Exchange Commission or any national securities exchange or association on which the Company's securities are listed.

"Committee" means the committee of the Board (Compensation Committee) responsible for executive compensation decisions comprised solely of independent directors (as determined under the Applicable Rules), or in the absence of such a committee, a majority of the independent directors serving on the Board.

"Erroneously Awarded Compensation" means the amount of Incentive-Based Compensation received by a current or former Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Financial Reporting Measure" means any measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures, including GAAP, IFRS and non-GAAP/IFRS financial measures, as well as stock or share price and total equityholder return.

"GAAP" means United States generally accepted accounting principles.

"IFRS" means international financial reporting standards as adopted by the International Accounting Standards Board.

"Impracticable" means (a) the direct costs paid to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company has (i) made reasonable attempts to recover the Erroneously Awarded Compensation, (ii) documented such attempt(s), and (iii) provided such documentation to the relevant listing exchange or association, (b) to the extent permitted by the Applicable Rules, the recovery would violate the Company's home country laws pursuant to an opinion of home country counsel; provided that the Company has (i) obtained an opinion of home country counsel, acceptable to the relevant listing exchange or association, that recovery would result in such violation, and (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

"Incentive-Based Compensation" means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after such person began service as an Officer; (b) who served as an Officer at any time during the performance period for that compensation; (c) while the Company has a class of its securities listed on a national securities exchange or association; and (d) during the applicable Three-Year Period.

"Officer" means each person who serves as an executive officer of the Company, as defined in Rule 10D-1(d) under the Exchange Act.

"Restatement" means an accounting restatement to correct the Company's material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"Three-Year Period" means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The "Three-Year Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.

ACKNOWLEDGMENT AND CONSENT TO
POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

The undersigned has received a copy of the Policy for Recovery of Erroneously Awarded Compensation (the "Policy") adopted by Summit Hotel Properties, Inc. (the "Company").

For good and valuable consideration, the receipt of which is acknowledged, the undersigned agrees to the terms of the Policy and agrees that compensation received by the undersigned may be subject to reduction, cancellation, forfeiture and/or recoupment to the extent necessary to comply with the Policy, notwithstanding any other agreement to the contrary. The undersigned further acknowledges and agrees that the undersigned is not entitled to indemnification in connection with any enforcement of the Policy to the extent required by the Applicable Rules (as defined in the Policy) and expressly waives any rights to such indemnification under the Company's organizational documents or otherwise.

_____ _____

Date Signature

_____

Name

_____

Title