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, 2021

or

☐ **Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File Number 001-37389

APPLE HOSPITALITY REIT, INC.

(Exact name of registrant as specified in its charter)

Virginia	**26-1379210**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
814 East Main Street **Richmond, Virginia**	**23219**
(Address of principal executive offices)	(Zip Code)

(804) 344-8121
(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 Shares, no par value	APLE	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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

Indicate by check mark whether the registrant 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. ☒

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 common shares held by non-affiliates of the registrant (based on the closing sale price on the New York Stock Exchange) was approximately $3,258,201,788 as of June 30, 2021.

The number of common shares outstanding on February 14, 2022 was 228,255,642.

Documents Incorporated by Reference

The information required by Part III of this report, to the extent not set forth herein, is incorporated by reference from the Company's definitive proxy statement to be filed with the Securities and Exchange Commission in connection with the Company's annual meeting of shareholders to be held on May 13, 2022.

APPLE HOSPITALITY REIT, INC.

FORM 10-K

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This Form 10-K includes references to certain trademarks or service marks. The AC Hotels by Marriott®, Aloft Hotels®, Courtyard by Marriott®, Fairfield by Marriott®, Marriott® Hotels, Residence Inn by Marriott®, SpringHill Suites by Marriott® and TownePlace Suites by Marriott® trademarks are the property of Marriott International, Inc. or one of its affiliates. The Embassy Suites by Hilton®, Hampton by Hilton®, Hampton Inn by Hilton®, Hampton Inn & Suites by Hilton®, Hilton Garden Inn®, Home2 Suites by Hilton® and Homewood Suites by Hilton® trademarks are the property of Hilton Worldwide Holdings Inc. or one or more of its affiliates. The Hyatt®, Hyatt House® and Hyatt Place® trademarks are the property of Hyatt Hotels Corporation or one or more of its affiliates. For convenience, the applicable trademark or service mark symbol has been omitted but will be deemed to be included wherever the above referenced terms are used.

PART I

Forward-Looking Statements

This Annual Report on Form 10-K contains 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"). Forward-looking statements are typically identified by use of statements that include phrases such as "may," "believe," "expect," "anticipate," "intend," "estimate," "project," "target," "goal," "plan," "should," "will," "predict," "potential," "outlook," "strategy," and similar expressions that convey the uncertainty of future events or outcomes. Such statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Apple Hospitality REIT, Inc. and its wholly-owned subsidiaries (the "Company") to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

Currently, one of the most significant factors that could cause actual outcomes to differ materially from the Company's forward-looking statements continues to be the adverse effect of the coronavirus COVID-19 pandemic ("COVID-19"), including resurgences and variants, on the Company's business, financial performance and condition, operating results and cash flows, the real estate market and the hospitality industry specifically, and the global economy and financial markets generally. The significance, extent and duration of the continued impacts caused by the COVID-19 pandemic on the Company will depend on future developments, which are highly uncertain and cannot be predicted with confidence at this time, including the scope, severity and duration of the pandemic, the extent and effectiveness of the actions taken to contain the pandemic or mitigate its impact, the efficacy, acceptance and availability of vaccines, the duration of associated immunity and efficacy of the vaccines against variants of COVID-19, the potential for additional hotel closures/consolidations that may be mandated or advisable, whether based on increased COVID-19 cases, new variants or other factors, the slowing or potential rollback of "reopenings" in certain states, and the direct and indirect economic effects of the pandemic and containment measures, among others. Moreover, investors are cautioned to interpret many of the risks identified under the section titled "Risk Factors" in this Annual Report on Form 10-K as being heightened as a result of the ongoing and numerous adverse impacts of COVID-19. Additional factors include, but are not limited to, the ability of the Company to effectively acquire and dispose of properties and redeploy proceeds; the anticipated timing and frequency of shareholder distributions; the ability of the Company to fund capital obligations; the ability of the Company to successfully integrate pending transactions and implement its operating strategy; changes in general political, economic and competitive conditions and specific market conditions; reduced business and leisure travel due to travel-related health concerns, including the COVID-19 pandemic or an increase in COVID-19 cases or any other infectious or contagious diseases in the U.S. or abroad; adverse changes in the real estate and real estate capital markets; financing risks; changes in interest rates; litigation risks; regulatory proceedings or inquiries; and changes in laws or regulations or interpretations of current laws and regulations that impact the Company's business, assets or classification as a real estate investment trust ("REIT"). Although the Company believes that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore there can be no assurance that such statements included in this Annual Report on Form 10-K will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the results or conditions described in such statements or the objectives and plans of the Company will be achieved. In addition, the Company's qualification as a REIT involves the application of highly technical and complex provisions of the Internal Revenue Code of 1986, as amended (the "Code"). Readers should carefully review the risk factors described in the Company's filings with the Securities and Exchange Commission ("SEC"), including but not limited to those discussed in the section titled "Risk Factors" in Item 1A in this Annual Report on Form 10-K. Any forward-looking statement that the Company makes speaks only as of the date of this Annual Report on Form 10-K. The Company undertakes no obligation to publicly update or revise any forward-looking statements or cautionary factors, as a result of new information, future events, or otherwise, except as required by law.

Item 1. Business

The Company, formed in November 2007 as a Virginia corporation, is a self-advised REIT that invests in income-producing real estate, primarily in the lodging sector, in the United States ("U.S."). The Company has elected to be treated as a REIT for federal income tax purposes. As of December 31, 2021, the Company owned 219 hotels with an aggregate of 28,747 rooms located in urban, high-end suburban and developing markets throughout 36 states. As of December 31, 2021, substantially all of the Company's hotels operate under Marriott or Hilton brands. The hotels are operated and managed under separate management agreements with 16 hotel management companies, none of which are affiliated with the Company. The Company's common shares are listed on the New York Stock Exchange ("NYSE") under the ticker symbol "APLE." The Company has no foreign operations or assets and its operating structure includes only one reportable segment. Refer to Part II, Item 8, for the Consolidated Financial Statements and Notes thereto, appearing elsewhere in this Annual Report on Form 10-K.

Business Objectives

The Company is one of the largest hospitality REITs in the U.S., in both the number of hotels and guest rooms, with significant geographic and brand diversity. The Company's primary business objective is to maximize shareholder value by achieving long-term growth in cash available for distributions to its shareholders. The Company has pursued and will continue to pursue this objective through the following investment strategies:

- pursuing thoughtful capital allocation with selective acquisitions and dispositions of primarily rooms-focused hotels in the upscale sector of the lodging industry;
- employing broad geographic diversification of its investments;
- franchising and collaborating with leading brands in the sector;
- utilizing strong experienced operators for its hotels and enhancing their performance with proactive asset management;
- reinvesting in the Company's hotels to maintain their competitive advantage; and
- maintaining low leverage providing the Company with financial flexibility.

The Company has generally acquired fee simple ownership of its properties, with a focus on hotels that have or have the potential to have diverse demand generators, strong brand recognition, high levels of customer satisfaction and strong operating margins. Due to their efficient operating model and strong consumer preference, the Company concentrates on the acquisition of rooms-focused hotels. The Company's acquisitions have been in broadly diversified markets across the U.S. to limit dependence on any one geographic area or demand generator. With an emphasis on upscale rooms-focused hotels, the Company utilizes its asset management experience and expertise to improve the quality and performance of its hotels by working with its property managers to aggressively manage revenue and expenses by benchmarking with internal and external data, using the Company's scale to help negotiate favorable vendor contracts, engaging industry leaders in hotel management, and franchising the hotels with leading brands and actively participating with the franchisors to strengthen the brands. To maintain its competitive advantage in each market, the Company continually reinvests in its hotels. With its depth of ownership in many upscale and upper midscale rooms-focused brands and extensive experience with the Hilton and Marriott rooms-focused brands, the Company has been able to enhance its reinvestment approach. By maintaining a flexible balance sheet, with a total debt to total capitalization (total debt outstanding plus equity market capitalization based on the Company's December 31, 2021 closing share price) ratio at December 31, 2021 of 28.1%, the Company is not only positioned to opportunistically consider investments that further improve shareholder value, but management believes it is equipped to address developments caused by adverse economic environments such as the current conditions brought on by COVID-19.

The Impact of COVID-19 on the Company and the Hospitality Industry

Since first being reported in December 2019, COVID-19 has spread globally, including to every state in the U.S. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the U.S. declared a national emergency with respect to COVID-19.

The COVID-19 pandemic has not only specifically reduced travel, but also has had a detrimental impact on regional and global economies and financial markets. The global, national and local impact of the pandemic has continued to evolve and many countries, including the U.S., as well as state and local governments, have reacted and continue to react with a

wide variety of measures intended to control its spread, including states of emergency, mandatory quarantines, implementation of "stay at home" orders, business closures, border closings, and restrictions on travel and large gatherings, which has resulted in, and may continue to result in, cancellation of events, including sporting events, conferences and meetings. While the Company's operating results and the overall economy in the U.S. continue to show signs of recovery, the Company cannot presently determine the extent or duration of the overall operational and financial effects that COVID-19 will have on the Company, its business, the hospitality industry and the economy, or whether the recovery will continue. See "The Impact of COVID-19 on the Company and the Hospitality Industry" in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, appearing elsewhere in this Annual Report on Form 10-K, for more information about the Company's response to the effects of COVID-19.

Hotel Operating Performance

As of December 31, 2021, the Company owned 219 hotels with a total of 28,747 rooms as compared to 234 hotels with a total of 29,937 rooms as of December 31, 2020 and 233 hotels with a total of 29,870 rooms as of December 31, 2019. Operating performance is included only for the period of ownership for hotels acquired or disposed of during 2021, 2020 and 2019. During 2021, the Company acquired eight hotels and sold 23 hotels. During 2020, the Company acquired four hotels and sold three hotels. During 2019, the Company acquired three hotels and sold 11 hotels. The following table reflects certain operating statistics for the Company's hotels for their respective periods of ownership by the Company. Average Daily Rate ("ADR") is calculated as room revenue divided by the number of rooms sold, and revenue per available room ("RevPAR") is calculated as occupancy multiplied by ADR.

	Years Ended December 31,		
	2021	**2020**	**2019**
ADR	$ 123.78	$ 111.49	$ 137.30
Occupancy	66.3%	46.1%	77.0%
RevPAR	$ 82.03	$ 51.34	$ 105.72

Comparable Hotels Operating Performance

The following table reflects certain operating statistics for the Company's 219 hotels owned as of December 31, 2021 ("Comparable Hotels"). The Company defines metrics from Comparable Hotels as results generated by the 219 hotels owned as of the end of the reporting period. For the hotels acquired during the reporting periods shown, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership using information provided by the properties' prior owners at the time of acquisition and not adjusted by the Company. This information has not been audited, either for the periods owned or prior to ownership by the Company. For dispositions, results have been excluded for the Company's period of ownership.

	Years Ended December 31,		
	2021	**2020**	**2019**
ADR	$ 125.43	$ 112.72	$ 141.04
Occupancy	66.3%	45.9%	77.2%
RevPAR	$ 83.14	$ 51.69	$ 108.87

Hotel performance is impacted by many factors, including the economic conditions in the U.S. and in each individual locality. COVID-19 has been negatively affecting the U.S. hotel industry since March 2020. The Company's revenue and operating results improved during 2021 as compared to 2020, which is consistent with the overall lodging industry. However, as a result of COVID-19, the Company's revenue and operating results declined as compared to 2019 and the Company expects future revenues could be negatively impacted if, for example, COVID-19 cases begin to increase again, new vaccine-resistant variants emerge, state and local governments tighten or implement new mitigation restrictions or consumer sentiment deteriorates. The Company can give no assurances as to the amount or period of decline that may result from uncertainty regarding the duration and long-term impact of, as well as governmental and consumer response to, COVID-19. See Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, appearing elsewhere in this Annual Report on Form 10-K for more information on the Company's results of operations.

Recent Investing Activities

Acquisitions and Contracts for Potential Acquisitions

The Company continually monitors market conditions and attempts to maximize shareholder value by investing in properties that it believes provide superior value over the long term. Consistent with this strategy and the Company's focus on investing in rooms-focused hotels, in 2019 the Company entered into a contract to purchase a 176-room Hilton Garden Inn to be constructed in Madison, Wisconsin. Construction of the hotel was completed in February 2021 and the Company acquired the hotel on February 18, 2021 for a gross purchase price of $49.6 million, utilizing borrowings under the Company's revolving credit facility. In 2021, the Company also acquired seven existing hotels for an aggregate purchase price of approximately $311.9 million: a 178-room AC Hotel in Portland, Maine; a 130-room Hyatt Place in Greenville, South Carolina; a 157-room Aloft in Portland, Maine; a 150-room Hilton Garden Inn in Memphis, Tennessee; a 157-room Hilton Garden Inn in Fort Worth, Texas; a 112-room Homewood Suites in Fort Worth, Texas; and a 243-room Hampton Inn & Suites in Portland, Oregon. The Company utilized available cash (including a portion of the proceeds from the sale of 20 hotels in July 2021) and borrowings under its revolving credit facility to fund the acquisitions and plans to utilize its credit facilities available at closing for any additional acquisitions. In addition, on August 16, 2021, the Company purchased the fee interest in the land at its Seattle, Washington Residence Inn that was previously under a ground lease for a purchase price of $80.0 million, consisting of a $24.0 million cash payment utilizing a portion of the proceeds from the sale of 20 hotels in July 2021 and a one-year note payable to the seller for $56.0 million.

As of December 31, 2021 the Company had an outstanding contract for the potential purchase of a hotel under development in Madison, Wisconsin for a purchase price of $78.6 million, which is expected to be completed as a 260-room Embassy Suites and opened for business in early 2024, at which time the Company expects to complete the purchase of this hotel. Although the Company is working towards acquiring this hotel, there are a number of conditions to closing that have not yet been satisfied and there can be no assurance that closing on this hotel will occur under the outstanding purchase contract.

Dispositions and Contracts for Potential Dispositions

For its existing portfolio, the Company monitors each property's profitability, market conditions and capital requirements and attempts to maximize shareholder value by disposing of properties when it believes that superior value can be provided from the sale of the property. As a result, in 2021, the Company sold a total of 23 hotels for a total combined gross sales price of approximately $234.6 million. The net proceeds from the sales were used to pay down borrowings under the Company's revolving credit facility, for acquisitions of hotel properties in the second half of 2021 and for general corporate purposes.

See Note 2 titled "Investment in Real Estate" and Note 3 titled "Dispositions" in Part II, Item 8, of the Consolidated Financial Statements and Notes thereto, appearing elsewhere in this Annual Report on Form 10-K for additional information concerning these transactions.

Share Repurchases

In addition to continually considering opportunities to invest in rooms-focused hotels, the Company also monitors the trading price of its common shares and repurchases its common shares when it believes there is an opportunity to increase shareholder value. In May 2021, the Company's Board of Directors approved an extension of its existing share repurchase program, authorizing share repurchases up to an aggregate of $345 million (the "Share Repurchase Program"). No common shares were repurchased in 2021. Past repurchases under the share repurchase program have been funded, and the Company intends to fund future repurchases, with cash on hand or availability under its unsecured credit facilities, subject to applicable restrictions under the Company's unsecured credit facilities (if any). The timing of share repurchases and the number of common shares to be repurchased under the Share Repurchase Program will also depend upon prevailing market conditions, regulatory requirements and other factors.

See Note 7 titled "Shareholders' Equity" in Part II, Item 8, of the Consolidated Financial Statements and Notes thereto, appearing elsewhere in this Annual Report on Form 10-K for additional information concerning the share repurchase program.

Hotel Industry and Competition

The hotel industry is highly competitive. Each of the Company's hotels competes for guests primarily with other hotels in its immediate vicinity and secondarily with other hotels or lodging facilities in its geographic market. An increase in the

number of competitive hotels or other lodging facilities in a particular area could have a material adverse effect on the occupancy, ADR and RevPAR of the Company's hotels in that area. The Company believes that brand recognition, location, price and quality (of both the hotel and the services provided) are the principal competitive factors affecting the Company's hotels. Additionally, general economic conditions, both in a particular market and nationally, impact the performance of the hotel industry.

Management and Franchise Agreements

Substantially all of the Company's hotels operate under Marriott or Hilton brands, and as of December 31, 2021, consisted of the following:

Number of Hotels and Guest Rooms by Brand

Brand	Number of Hotels	Number of Rooms
Hilton Garden Inn	40	5,592
Hampton	37	4,953
Courtyard	33	4,653
Homewood Suites	30	3,417
Residence Inn	29	3,548
Fairfield	10	1,213
Home2 Suites	10	1,146
SpringHill Suites	9	1,245
TownePlace Suites	9	931
Hyatt Place	3	411
Marriott	2	619
Embassy Suites	2	316
Independent	2	263
AC	1	178
Aloft	1	157
Hyatt House	1	105
Total	219	28,747

Each of the Company's 219 hotels owned as of December 31, 2021 is operated and managed under separate management agreements with 16 hotel management companies, none of which are affiliated with the Company. The management agreements generally provide for initial terms of one to 30 years and are terminable by the Company for either failure to achieve performance thresholds, sale of the property, or without cause. As of December 31, 2021, over 80% of the Company's hotels operate under a variable management fee agreement, with an average initial term of approximately one to two years, which the Company believes better aligns incentives for each hotel manager to maximize each property's performance than a base-plus-incentive management fee structure, as described below, which is more common throughout the industry. Under the variable fee structure, the management fee earned for each hotel is generally within a range of 2.5% to 3.5% of gross revenues. The performance measures are based on various financial and quality performance metrics. The Company's remaining hotels operate under a management fee structure which generally includes the payment of base management fees and an opportunity for incentive management fees. Under this structure, base management fees are calculated as a percentage of gross revenues and the incentive management fees are calculated as a percentage of operating profit in excess of a priority return to the Company, as defined in the management agreements. In addition to the above, management fees for all of the Company's hotels generally include accounting fees and other fees for centralized services, which are allocated among all of the hotels that receive the benefit of such services. During 2020 and 2021, in response to COVID-19 and its impact on hotel performance, the management fee under all variable management fee agreements was set to 3% of gross revenues.

Thirteen of the Company's hotels are managed by affiliates of Marriott. The remainder of the Company's hotels are managed by companies that are not affiliated with either Marriott, Hilton or Hyatt, and, as a result, the branded hotels they manage were required to obtain separate franchise agreements with each respective franchisor. The franchise agreements generally provide for initial terms of approximately 10 to 30 years and generally provide for renewals subject to franchise requirements at the time of renewal. The Company pays various fees under these agreements, including the payment of royalty fees, marketing fees, reservation fees, a communications support fee, brand loyalty program fees and other similar fees based on room revenues.

The franchise and/or management agreements provide a variety of benefits for the Company, which include national advertising, publicity, and other marketing programs designed to increase brand awareness, training of personnel, continuous review of quality standards, centralized reservation systems and best practices within the industry.

Hotel Maintenance and Renovation

Management routinely monitors the condition and operations of its hotels and plans renovations and other improvements as it deems prudent. The Company's hotels have an ongoing need for renovation and refurbishment. To maintain and enhance each property's competitive position in its market, the Company has invested in and plans to continue to reinvest in its hotels. During 2021, 2020 and 2019, the Company's capital improvements for its hotels were approximately $25.8 million, $37.6 million and $78.7 million, respectively. Expenditures for 2021 and 2020 were lower than previous years due to the reduction of non-essential capital improvement projects as a result of COVID-19. During 2022, the Company anticipates investing approximately $55 to $65 million in capital improvements, which includes renovation projects for approximately 20 to 25 properties.

Financing

The Company's principal daily sources of liquidity are the operating cash flow generated from the Company's properties and availability under its revolving credit facility. Depending on market conditions, the Company also may enter into additional secured and unsecured debt financing or issue common shares through equity offerings, such as the Company's at-the-market offering program described below. The Company anticipates that funds from these sources will be adequate to meet its anticipated liquidity requirements, including debt service, hotel acquisitions, hotel renovations, share repurchases, and required distributions to shareholders.

As of December 31, 2021, the Company had approximately $1.4 billion of total outstanding debt with a combined weighted-average interest rate, including the effect of interest rate swaps, of approximately 3.38%, consisting of approximately $498.0 million in outstanding mortgage debt secured by 28 properties, with maturity dates ranging from August 2022 to May 2038 and stated interest rates ranging from 3.40% to 5.00%, and approximately $946.0 million in outstanding debt under its unsecured credit facilities with maturity dates ranging from July 2022 to March 2030 and effective interest rates, including the effect of interest rate swaps, ranging from 1.58% to 4.64%.

The Company's unused borrowing capacity under its $425 million revolving credit facility as of December 31, 2021 was $349.0 million, which is available for acquisitions, hotel renovations, share repurchases, working capital and other general corporate funding purposes, including the payment of distributions to shareholders. As discussed above, the Company has historically maintained and plans in the future to maintain relatively low leverage as compared to the real estate industry as a whole and the lodging sector in particular. The Company's ratio of total debt to total capitalization as of December 31, 2021 was 28.1%. The Company intends to maintain staggered maturities of its debt, utilize unsecured debt when available and fix the rate on a portion of its debt. All of these strategies reduce shareholder risk related to the Company's financing structure.

As a result of COVID-19 and the associated disruption to the Company's operating results, the Company entered into amendments in June 2020 that suspended the testing of the Company's existing financial maintenance covenants under the unsecured credit facilities. These amendments imposed certain restrictions regarding its investing and financing activities that were applicable during a specified waiver period, including, but not limited to, limitations on the acquisition of property, payment of distributions to shareholders, capital expenditures and use of proceeds from the sale of property or common shares of the Company. On March 1, 2021, as a result of the continued disruption from COVID-19 and the related uncertainty with respect to the Company's future operating results, the Company entered into further amendments to each of the unsecured credit facilities to extend the covenant waiver period for all but two of the Company's existing financial maintenance covenants until the date that the compliance certificate was required to be delivered for the fiscal quarter ending June 30, 2022 (unless the Company elected an earlier date) (the "Extended Covenant Waiver Period"). The testing for the other two covenants, the Minimum Fixed Charge Coverage Ratio and the Minimum Unsecured Interest Coverage Ratio, was suspended until the compliance certificate was required to be delivered for the fiscal quarter ending March 31, 2022 (unless the Company elected an earlier date). In July 2021, the Company notified its lenders under its unsecured credit facilities that it had elected to exit the Extended Covenant Waiver Period effective on July 29, 2021. Upon exiting the Extended Covenant Waiver Period, the Company is no longer subject to certain restrictions regarding its investing and financing activities that were applicable during the Extended Covenant Waiver Period, including, but not limited to, limitations on the acquisition of property, payment of distributions to shareholders, capital expenditures and use of proceeds from the sale of property or common shares of the Company. Those restrictions, including the restriction on payment of distributions to shareholders, were still in place throughout the second quarter of 2021. See Note 4 titled "Debt" in Part II, Item 8, of the Consolidated

Financial Statements and Notes thereto, appearing elsewhere in this Annual Report on Form 10-K for additional information regarding the Company's debt, including the amendments to each of the unsecured credit facilities and the exit from the Extended Covenant Waiver Period mentioned above.

The Company has a universal shelf registration statement on Form S-3 (No. 333-231021) that was automatically effective upon filing on April 25, 2019. The Company may offer an indeterminate number or amount, as the case may be, of (1) common shares, no par value per share; (2) preferred shares, no par value per share; (3) depository shares representing the Company's preferred shares; (4) warrants exercisable for the Company's common shares, preferred shares or depository shares representing preferred shares; (5) rights to purchase common shares; and (6) unsecured senior or subordinate debt securities, all of which may be issued from time to time on a delayed or continuous basis pursuant to Rule 415 under the Securities Act. On August 12, 2020, the Company entered into an equity distribution agreement pursuant to which the Company may sell, from time to time, up to an aggregate of $300 million of its common shares under an at-the-market offering program (the "ATM Program"). As of December 31, 2021, the Company had sold approximately 4.7 million common shares under its ATM Program at a weighted-average market sales price of approximately $16.26 per common share and received aggregate gross proceeds of approximately $76.0 million and proceeds net of offering costs, which included $0.9 million of commissions, of approximately $75.1 million. The Company used the net proceeds from the sale of these shares primarily to pay down borrowings under its revolving credit facility and used the corresponding increased availability under the revolving credit facility for general corporate purposes, including acquisitions of hotel properties. As of December 31, 2021, approximately $224.0 million remained available for issuance under the ATM Program. The Company plans to use future net proceeds from the sale of these shares to continue to pay down borrowings under its revolving credit facility (if any). The Company plans to use the corresponding increased availability under the revolving credit facility for general corporate purposes which may include, among other things, acquisitions of additional properties, the repayment of other outstanding indebtedness, capital expenditures, improvement of properties in its portfolio and working capital. The Company may also use the net proceeds to acquire another REIT or other company that invests in income producing properties. Future offerings will depend on a variety of factors to be determined by the Company, including market conditions, the trading price of the Company's common shares and opportunities for uses of any proceeds.

Distribution Policy

The Company has historically paid distributions on a monthly basis, with distributions based on anticipated cash generated from operations. The Company attempts to set a rate that can be consistent over a period of time as it forecasts its cash available from operations. As a result of COVID-19 and the impact on its business, the Company suspended its monthly distributions in March 2020. As discussed in Note 4 titled "Debt" in Part II, Item 8 in this Annual Report on Form 10-K, during the Extended Covenant Waiver Period, as a requirement under the amendments to its unsecured credit facilities, the Company was restricted in its ability to make distributions except for the payment of cash distributions of $0.01 per common share per quarter or to the extent required to maintain REIT status. Beginning in March 2021, the Board of Directors declared distributions of $0.01 per common share in the last month of each quarter and the distributions were paid out each following month. As discussed above, in July 2021, the Company notified its lenders under its unsecured credit facilities that it had elected to exit the Extended Covenant Waiver Period effective on July 29, 2021. As a result, upon exiting the Extended Covenant Waiver Period, the Company is no longer subject to the restrictions on distributions that were applicable during the Extended Covenant Waiver Period.

On February 22, 2022, the Company announced that its Board of Directors has reinstated its policy of distributions on a monthly basis and declared a monthly cash distribution of $0.05 per common share payable on March 15, 2022. While management expects monthly cash distributions to continue, each distribution is subject to approval by the Company's Board of Directors and there can be no assurance of the classification, timing or duration of distributions at the current distribution rate. The Company's Board of Directors, in consultation with management, will continue to monitor hotel operations and the timing and level of distributions in relation to the Company's other cash requirements or in order to maintain its REIT status for federal income tax purposes. If cash flow from operations and the revolving credit facility are not adequate to meet liquidity requirements, the Company may utilize additional financing sources to make distributions. As it has done historically, due to seasonality, the Company may use its revolving credit facility to maintain consistency of the distribution rate, taking into consideration any acquisitions, dispositions, capital improvements and economic cycles. Although the Company has relatively low levels of debt, there can be no assurance it will be successful with this strategy and may need to reduce its distributions to required levels to maintain its REIT status. If the Company were unable to extend its maturing debt in future periods or if it were to default on its debt, it may be unable to make distributions.

Insurance

The Company maintains insurance coverage for general liability, property, business interruption, cyber threats and other risks with respect to all of its hotels. These policies offer coverage features and insured limits that the Company believes are customary for similar types of properties in similar locations. However, various types of catastrophic losses, like earthquakes, hurricanes, or certain types of terrorism, may not be insurable or may not be economically insurable.

Environmental Matters

The Company's hotels are subject to various U.S. federal, state, and local environmental, health and safety laws and regulations that address a wide variety of issues, including, but not limited to, storage tanks, air emissions from emergency generators, storm water and waste water discharges, lead-based paint, mold and mildew and waste management, and impose liability for contamination. In connection with each of the Company's hotel acquisitions, the Company reviewed a Phase I Environmental Site Assessment and additional environmental reports and surveys, as were necessitated by the preliminary report. Based on the reports, the Company is not aware of any environmental situations requiring remediation at the Company's properties, which have not been, or are not currently being remediated as necessary. No material remediation costs have occurred or are expected to occur. Under various laws, owners as well as tenants and operators of real estate may be required to investigate and clean up or remove hazardous substances present at or migrating from properties they own, lease or operate and may be held liable for property damage or personal injuries that result from hazardous substances. These laws also expose the Company to the possibility that it may become liable to reimburse governments for damages and costs they incur in connection with hazardous substances.

Sustainability

The Company established a formal energy management program in 2018 and adopted a formal Environmental Policy in 2020 to ensure that energy, water and waste management are a priority not only within the Company, but also with the Company's management companies. In addition to being more operationally efficient, rooms-focused hotels are more environmentally efficient than full-service hotels and resorts. With less open or unused space and less equipment needed for operating than full-service hotels, rooms-focused hotels use less electricity, water and natural gas on a per-square-foot basis than full-service or resort hotels. In addition to its overall strategy of investing in rooms-focused hotels, the Company is committed to identifying and incorporating sustainability opportunities into its investment and asset management strategies, with a focus on minimizing its environmental impact through reductions in energy and water consumption and improvements in waste management. The Company seeks to invest in proven sustainability practices when renovating its hotels and in portfolio-wide capital projects that can enhance asset value while also improving environmental performance. For example, the Company has realized cost savings and reductions in its carbon footprint through the installation of LED lighting, energy management systems, smart irrigation systems and the use of energy and water conservation guidelines at the property level with 98% of the Company's portfolio as of December 31, 2020 enrolled in the U.S. Environmental Protection Agency's Energy Star program. Additionally, as part of the Company's acquisition due diligence, the Company performs sustainability assessments to identify areas of opportunity that will improve the property's environmental performance, and when working with developers to construct new hotels, strives to implement environmentally efficient construction and building functionality.

Human Capital

The Company believes that each of its 63 team members (as of December 31, 2021) plays a vital role in the success of the organization. Management aims to provide an inspiring, inclusive work environment where employees feel valued, empowered and encouraged to make positive differences within the Company and throughout their communities, with a belief that the most successful management provides clear leadership while empowering the team to make timely and responsible decisions and to take actions necessary to achieve exceptional operating results. The Company is committed to diversity, equity and inclusion and does not tolerate discrimination or harassment in the workplace.

The Company offers competitive compensation and benefits, a flexible leave policy, fully paid parental leave, an education reimbursement program, and a culture that encourages balance of work and personal life. The Company provides its employees with two days paid leave each year for volunteer work and donation matching to support non-profit organizations. The Company emphasizes an open-door policy for communication and conducts regular employee satisfaction surveys, which provide the opportunity for continuous improvement.

The Company is committed to working safely and maintaining a safe workplace in compliance with cleanliness guidelines set forth by the Centers for Disease Control and Prevention (CDC), and in compliance with applicable Occupational Safety and Health Act (OSHA) standards.

The Company has implemented various initiatives to ensure the Company remains inclusive, equitable and supportive for all, including a formal online training program that all employees of the Company are required to complete annually for the prevention of discrimination and harassment in the workplace, including unconscious bias.

During 2021, all employees involved in the day-to-day operation of the Company's hotels were employed by one of 16 third-party management companies engaged pursuant to the hotel management agreements.

Social Engagement

The Company is committed to strengthening its communities through charitable giving, encouraging employees to volunteer their time and talents, and participation in the many philanthropic programs important to its employees and leaders within its industry, including its brands, the American Hotel & Lodging Association and its hotel management companies. In 2017, the Company formed Apple Gives, an employee-led charitable organization, to expand its impact and further advance the achievement of the Company's corporate philanthropic goals. Apple Gives organizes company-wide community events with charitable organizations, deploys aid to markets and associates affected by natural disasters, and allocates funds and other resources to a variety of causes. Apple Gives strives to select organizations that are important to the Company's employees, the Company's third-party management companies, its hotels and numerous industry organizations. Since Apple Gives was formed, the Company has contributed to more than 100 non-profit organizations, including through company-matched donations, and employees have devoted more than 550 hours volunteering and fundraising for a variety of charitable organizations. The Company's hotels and third-party management companies are engaged in targeted charitable programs that provide support to their respective communities, and hotel associates are encouraged to serve in ways that improve their localities. The Company's third-party management companies donate to food drives, participate in charity walks and bike rides, assemble care packages, donate school supplies, provide disaster relief, and pursue numerous other altruistic initiatives.

Seasonality

The hotel industry has been historically seasonal in nature. Seasonal variations in occupancy at the Company's hotels may cause quarterly fluctuations in its revenues. Generally, occupancy rates and hotel revenues for the Company's hotels are greater in the second and third quarters than in the first and fourth quarters. However, due to the effects of COVID-19, these typical seasonal patterns were disrupted in 2020 and 2021, although the Company experienced some seasonal decrease in demand in the first and fourth quarter of each year. To the extent that cash flow from operations is insufficient during any quarter, due to temporary or seasonal fluctuations in revenue, the Company expects to utilize cash on hand or available financing sources to meet cash requirements.

Related Parties

The Company has, and is expected to continue to engage in, transactions with related parties. These transactions cannot be construed to be at arm's length and the results of the Company's operations may be different if these transactions were conducted with non-related parties. Certain employees of the Company also provide support services to Apple Realty Group, Inc. ("ARG"), which is wholly owned by Glade M. Knight, Executive Chairman of the Company. ARG reimburses the Company for the support services that it receives.

See Note 6 titled "Related Parties" in Part II, Item 8, of the Consolidated Financial Statements and Notes thereto, appearing elsewhere in this Annual Report on Form 10-K for additional information concerning the Company's related party transactions.

Website Access

The address of the Company's Internet website is www.applehospitalityreit.com. The Company makes available free of charge through its Internet website its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the SEC. Information contained on the Company's website is not incorporated by reference into this report.

Item 1A. Risk Factors

The Company has identified the following significant risk factors which may affect, among other things, the Company's business, financial position, results of operations, operating cash flow, market value, and ability to service its debt obligations and make distributions to its shareholders. You should carefully consider the risks described below and the risks disclosed by the Company in other filings with the SEC, in addition to the other information contained in this Annual Report on Form 10-K.

Risks Related to the Company's Business and Operations

The current COVID-19 pandemic has significantly adversely impacted and disrupted, and is expected to continue to significantly adversely impact and disrupt, the Company's business, financial performance and condition, operating results and cash flows, as could any future outbreak of another highly infectious or contagious disease.

The COVID-19 pandemic, including resurgences and new variants, has had and continues to have a detrimental impact on, and another pandemic in the future could similarly impact, regional and global economies and financial markets. The global, national and local impact of the pandemic has continued to evolve and many countries, including the U.S., and state and local governments, have reacted and continue to react with a wide variety of measures intended to control its spread, including states of emergency, mandatory quarantines, implementation of stay-at-home orders, business closures, border closings, and restrictions on travel and large gatherings, which has resulted in cancellation of events, including sporting events, conferences and meetings.

The effects of the pandemic on the hotel industry are unprecedented. COVID-19 has disrupted the industry and has dramatically reduced business and impacted leisure travel, which has had a significant adverse impact, and management expects COVID-19, including new variants, will continue to significantly adversely impact and disrupt the Company's business, financial performance and condition, operating results and cash flows. Beginning in March 2020, the Company experienced a significant decline in revenue throughout its portfolio and the Company expects the impact of this decline to continue for an extended period of time. More than half of the Company's properties continue to operate at reduced levels as compared to 2019 and the Company has reduced certain services and amenities. Although currently all of the Company's hotels are open, the Company may need or elect to temporarily suspend operations at properties in the future depending on the length and severity of COVID-19 and related effects, including any increase in the number of COVID-19 cases. If operations at the Company's hotel properties are suspended, the Company cannot give any assurance as to when they will resume operations at a full or reduced level.

Additional factors that would negatively impact the Company's ability to successfully operate during or following COVID-19 or another pandemic, or that could otherwise significantly adversely impact and disrupt its business, financial performance and condition, operating results and cash flows, include:

- sustained negative consumer or business sentiment or continued corporate travel policy restrictions, including beyond the end of COVID-19, which could further adversely impact demand for lodging;
- continued postponement and cancellation of events, including sporting events, conferences and meetings;
- hotel closures and the Company's ability to reopen hotels that are temporarily closed in a timely manner, and its ability to attract customers to its hotels when they are able to reopen;
- a severe disruption or instability in the global financial markets or deterioration in credit and financing conditions;
- continued increased costs and potential difficulty accessing supplies related to personal protective equipment, increased sanitation, social distancing and other mitigation measures at hotels;
- continued increased labor costs to attract employees due to government-issued vaccination requirements or prohibitions, perceived risk of exposure to COVID-19, as well as potential for increased workers' compensation claims if hotel employees are exposed to COVID-19 through the workplace; and
- increased susceptibility to litigation related to, among other things, the financial impacts of COVID-19 on the Company's business or litigation related to individuals contracting COVID-19 as a result of alleged exposures on the Company's premises.

The results of these factors could include:

- continued decreased demand resulting in hotel properties not generating revenue sufficient to meet operating expenses, which may adversely affect the value of the Company's hotel properties, potentially requiring the Company to recognize significant non-cash impairment charges or other significant unanticipated cash or non-cash costs;
- the further scaling back and delay of a significant amount of the Company's planned capital expenditures, including planned renovation projects, which could adversely affect the value of the Company's properties;
- a material adverse effect on the Company's ability to consummate acquisitions and dispositions of hotel properties;
- changes in the amount or frequency of the Company's distributions;
- increased indebtedness and sustained or further decreases in operating results, which could increase the Company's risk of default under its loan agreements or other long-term contracts;
- inability of the Company to maintain compliance with certain covenants in its unsecured credit facilities and the need to seek amendments to such facilities in the future, which could result in concessions from the Company, such as increased interest rates;
- increased volatility of the Company's stock price;
- disruptions in the Company's supply chains, which may increase operating costs and costs for essential capital improvements or may impact hotels that are under development and that the Company expects to acquire following completion;
- declines in regional and local economies, reducing travel to and from the localities;
- increased risk that the Company could be required to close on the purchase under its existing contracts for newly developed hotels, where the hotel is not legally allowed to open due to temporary regulations resulting from COVID-19 mitigation;
- increased risk in the Company's and its management companies' ability to retain, and the continued service and availability of, personnel, including the Company's senior leadership team and key field personnel, including general managers, and the Company's ability to recruit, attract and retain skilled personnel to the extent its management or personnel are impacted by the outbreak of pandemic or epidemic disease and are not available or allowed to conduct work;
- disruptions as a result of corporate employees working remotely, including risk of cybersecurity incidents and disruptions to internal control procedures; and
- difficulty accessing debt and equity capital on attractive terms, or at all, under the Company's secured and unsecured indebtedness, or capital necessary to fund business operations or address maturing liabilities.

Moreover, many risk factors set forth in this Annual Report on Form 10-K should be interpreted as heightened risks as a result of the ongoing and numerous adverse impacts of COVID-19.

The extent and duration of the impacts caused by COVID-19 on the Company's business, including financial condition, operating results and cash flows, remains largely uncertain and dependent on future developments that are highly uncertain and cannot be accurately predicted at this time, such as the continued severity, duration, transmission rate and geographic spread of COVID-19 in the U.S.; the effectiveness, acceptance and availability of vaccines; the duration of associated immunity and efficacy of the vaccines against variants of COVID-19; the extent and effectiveness of actions taken to contain the pandemic or mitigate its impact; the timing of and manner in which containment efforts are reduced or lifted; and the response of the overall economy, the financial markets and the population, particularly in areas in which the Company operates, as containment measures are reduced or lifted. As a result, the Company cannot provide an estimate of the overall impact of COVID-19 on its business or when, or if, the Company will be able to resume pre-COVID-19 levels of operations. COVID-19 presents material uncertainty and risk with respect to the Company's business, financial performance and condition, operating results and cash flows.

The Company is subject to various risks which are common to the hotel industry on a national, regional and local market basis that are beyond its control and could adversely affect its business.

The success of the Company's hotels depends largely on the hotel operators' ability to adapt to dominant trends and risks in the hotel industry, both nationally and in individual local markets. These risks could adversely affect hotel occupancy and the rates that can be charged for hotel rooms as well as hotel operating expenses. The following is a summary of risks that may affect the hotel industry in general and as a result may affect the Company:

- over-building of hotels in the markets in which the Company operates, resulting in an increase in supply of hotel rooms that exceeds increases in demand;
- competition from other hotels and lodging alternatives in the markets in which the Company operates;
- a downturn in the hospitality industry;
- dependence on business and leisure travel;
- increases in energy costs and other travel expenses, which may affect travel patterns and reduce business and leisure travel;
- reduced business and leisure travel due to geo-political uncertainty, including terrorism, travel-related health concerns, including COVID-19 or other widespread outbreaks of infectious or contagious diseases in the U.S., inclement weather conditions, including natural disasters such as hurricanes, earthquakes and wildfires, and government shutdowns, airline strikes or other disruptions;
- reduced travel due to adverse national, regional or local economic and market conditions;
- seasonality of the hotel industry may cause quarterly fluctuations in operating results;
- changes in marketing and distribution for the hospitality industry including the cost and the ability of third-party internet and other travel intermediaries to attract and retain customers;
- changes in hotel room demand generators in a local market;
- ability of a hotel franchise to fulfill its obligations to franchisees;
- brand expansion;
- the performance of third-party managers of the Company's hotels;
- increases in operating costs, including ground lease payments, property and casualty insurance, utilities and real estate and personal property taxes, due to inflation, climate change and other factors that may not be offset by increased room rates;
- labor shortages and other increases in the cost of labor due to low unemployment rates or to government regulations surrounding work rules, government-issued vaccination requirements or prohibitions, wage rates, health care coverage and other benefits;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with applicable laws and regulations;
- business interruptions due to cyber-attacks and other technological events;
- requirements for periodic capital reinvestment to repair and upgrade hotels;
- limited alternative uses for hotel buildings; and
- condemnation or uninsured losses.

Any of these factors, among others, may reduce the Company's operating results, the value of the properties that the Company owns, and the availability of capital to the Company.

Economic conditions in the U.S. and individual markets may adversely affect the Company's business operations and financial performance.

The performance of the lodging industry has historically been highly cyclical and closely linked to the performance of the general economy both nationally and within local markets in the U.S. The lodging industry is also sensitive to government, business and personal discretionary spending levels. Declines in government and corporate budgets and consumer demand due to adverse general economic conditions, risks affecting or reducing travel patterns, lower consumer confidence or adverse political conditions have lowered and may continue to lower the revenue and profitability of the Company's hotels and therefore the net operating profits of its investments. An economic downturn or prolonged economic recession, including lower GDP growth, corporate earnings, consumer confidence, employment rates, income levels and personal wealth, has led and may continue to lead to a significant decline in demand for products and services provided by the lodging industry, lower occupancy levels and significantly reduced room rates. The Company cannot predict the pace or duration of an economic recession or cycle or the cycles of the lodging industry. In the event conditions in the industry deteriorate or do not continue to see sustained improvement, or there is an extended period of economic weakness, the Company's revenue and profitability could be adversely affected. Furthermore, even if the economy in the U.S. improves, the Company cannot provide any assurances that demand for hotels will increase from current levels, nationally or more specifically, where the Company's properties are located.

In addition, many of the expenses associated with the Company's business, including certain personnel costs, interest expense, ground leases, property taxes, insurance and utilities, are relatively fixed. During a period of overall economic weakness, if the Company is unable to meaningfully decrease these costs as demand for its hotels decreases, the Company's business operations and financial performance may be adversely affected.

The Company is affected by restrictions in, and compliance with, its franchise and license agreements.

The Company's wholly-owned taxable REIT subsidiaries ("TRSs") (or subsidiaries thereof) operate substantially all of its hotels pursuant to franchise or license agreements with nationally recognized hotel brands. These franchise and license agreements contain specific standards for, and restrictions and limitations on, the operation and maintenance of the Company's hotels in order to maintain uniformity within the franchisor system. The Company may be required to incur costs to comply with these standards and these standards could potentially conflict with the Company's ability to create specific business plans tailored to each property and to each market. Failure to comply with these brand standards may result in termination of the applicable franchise or license agreement. In addition, as the Company's franchise and license agreements expire, the Company may not be able to renew them on favorable terms, or at all. If the Company were to lose or was unable to renew a franchise or license agreement, the Company would be required to re-brand the hotel, which could result in a decline in the value of the hotel, the loss of marketing support and participation in guest loyalty programs, and harm to the Company's relationship with the franchisor, impeding the Company's ability to operate other hotels under the same brand. Additionally, the franchise and license agreements have provisions that could limit the Company's ability to sell or finance a hotel which could further affect the Company.

Substantially all of the Company's hotels operate under Marriott or Hilton brands; therefore, the Company is subject to risks associated with concentrating its portfolio in these brand families.

Substantially all of the Company's hotels operate under brands owned by Marriott or Hilton. As a result, the Company's success is dependent in part on the continued success of Marriott and Hilton and their respective brands. The Company believes that building brand value is critical to increase demand and strengthen customer loyalty. Consequently, if market recognition or the positive perception of any of these brands is reduced or compromised, the goodwill associated with the Marriott or Hilton branded hotels in the Company's portfolio may be adversely affected. Also, if Marriott or Hilton alter certain policies, including their respective guest loyalty programs, this could reduce the Company's future revenues. Furthermore, if the Company's relationship with Marriott or Hilton were to deteriorate or terminate as a result of disputes regarding the Company's hotels or for other reasons, the franchisors could, under certain circumstances, terminate the Company's current franchise licenses with them or decline to provide franchise licenses for hotels that the Company may acquire in the future. If any of the foregoing were to occur, it could have a material adverse effect on the Company.

Although substantially all of the Company's hotels operate under the brands noted above, the Company owns and may from time to time acquire independent hotels or hotels affiliated with other brands, and/or may choose to operate hotels independently of a brand if the Company believes that these properties will operate most effectively as independent hotels. However, without the support and recognition of a large established brand, the capability of these independent or less recognized branded hotels to market the hotel, maintain guest loyalty, attract new guests, and operate in a cost-effective manner may be difficult, which could adversely affect the Company's overall operating results.

Competition in the markets where the Company owns hotels may adversely affect the Company's results of operations.

The hotel industry is highly competitive. Each of the Company's hotels competes for guests primarily with other hotels in its immediate vicinity and secondarily with other hotels in its geographic market. The Company also competes with numerous owners and operators of vacation ownership resorts, as well as alternative lodging companies, including third-party providers of short-term rental properties and serviced apartments that can be rented on a nightly, weekly or monthly basis. An increase in the number of competitive hotels, vacation ownership resorts and alternative lodging arrangements in a particular area could have a material adverse effect on the occupancy, ADR and RevPAR of the Company's hotels in that area and lower the Company's revenue and profitability.

The Company is dependent on third-party hotel managers to operate its hotels and could be adversely affected if such management companies do not manage the hotels successfully.

To maintain its status as a REIT, the Company is not permitted to operate any of its hotels. As a result, the Company has entered into management agreements with third-party managers to operate its hotels. For this reason, the Company's ability to direct and control how its hotels are operated is less than if the Company were able to manage its hotels directly. Under the terms of the hotel management agreements, the Company's ability to participate in operating decisions regarding its hotels is limited to certain matters, and it does not have the authority to require any hotel to be operated in a particular manner (for instance, setting room rates). The Company does not supervise any of the hotel managers or their respective personnel on a day-to-day basis. The Company cannot be assured that the hotel managers will manage its hotels in a manner that is consistent with their respective obligations under the applicable management agreement or the Company's obligations under its hotel franchise agreements. The Company could be materially and adversely affected if any of its third-party managers fail to effectively manage revenues and expenses, provide quality services and amenities, or otherwise fail to manage its hotels in its best interest, and may be financially responsible for the actions and inactions of the managers. In certain situations, based on the terms of the applicable management agreement, the Company or manager may terminate the agreement. In the event that any of the Company's management agreements are terminated, the Company can provide no assurance that it could identify a replacement manager, that the franchisor will consent to the replacement manager in a timely manner, or at all, or that the replacement manager will manage the hotel successfully. A failure by the Company's hotel managers to successfully manage its hotels could lead to an increase in its operating expenses, a decrease in its revenues, or both. Furthermore, if one of the Company's third-party managers is financially unable or unwilling to perform its obligations pursuant to its management agreements with the Company, the Company's ability to find a replacement manager or managers for those properties could be costly and time-consuming for the Company and disrupt hotel operations which could materially and adversely affect the Company.

The growing use of non-franchisor lodging distribution channels could adversely affect the Company's business and profitability.

Although a majority of rooms sold are sold through the hotel franchisors' distribution channels, a growing number of the Company's hotel rooms are sold through other channels or intermediaries. Rooms sold through non-franchisors' channels are generally less profitable (after associated fees) than rooms sold through franchisors' channels. Although the Company's franchisors may have established agreements with many of these alternative channels or intermediaries that limit transaction fees for hotels, there can be no assurance that the Company's franchisors will be able to renegotiate such agreements upon their expiration with terms as favorable as the provisions that exist today. Moreover, alternative channels or intermediaries may employ aggressive marketing strategies, including expending significant resources for online and television advertising campaigns to drive consumers to their websites. As a result, consumers may develop brand loyalties to the intermediaries' offered brands, websites and reservations systems rather than to those of the Company's franchisors. If this happens, the Company's business and profitability may be materially and adversely affected.

Renovations and capital improvements at the Company's existing hotels or new hotel developments may reduce the Company's profitability.

The Company has ongoing needs for hotel renovations and capital improvements, including maintenance requirements and updates to brand standards under all of its hotel franchise and management agreements and certain loan agreements. In addition, from time to time the Company will need to make renovations and capital improvements to comply with applicable laws and regulations, to remain competitive with other hotels and to maintain the economic value of its hotels. As properties increase in age, the frequency and cost of renovations needed to maintain appealing facilities for hotel guests may increase. The Company may also need to make significant capital improvements to hotels that it acquires, or may be involved in the development of new hotels. Construction delays and cost overruns, including increases in the costs of labor, goods and materials and delays and cost increases caused by supply chain disruptions, have increased and may continue to increase

renovation or development costs for the Company and have delayed and may in the future delay the acquisition or opening of hotels or the length of time that rooms are out of service. Occupancy and ADR are often affected during periods of renovations and capital improvements at a hotel, especially if the Company encounters delays, or if the improvements require significant disruption at the hotel. The costs of renovations and capital improvements the Company needs or chooses to make at the Company's existing hotels, or the costs related to the development of new hotels, could reduce the funds available for other purposes and may reduce the Company's profitability.

Certain hotels are subject to ground leases that may affect the Company's ability to use the hotel or restrict its ability to sell the hotel.

As of December 31, 2021, 14 of the Company's hotels were subject to ground leases. Accordingly, the Company effectively only owns a long-term leasehold interest in these hotels. If the Company is found to be in breach of a ground lease, it could lose the right to use the hotel. In addition, unless the Company can purchase a fee interest in the underlying land or renew the terms of these leases before their expiration, as to which no assurance can be given, the Company will lose its right to operate these properties and its interest in the property, including any investment that it made in the property. The Company's ability to exercise any extension options relating to its ground leases is subject to the condition that the Company is not in default under the terms of the ground lease at the time that it exercises such options, and the Company can provide no assurances that it will be able to exercise any available options at such time. If the Company were to lose the right to use a hotel due to a breach or non-renewal of a ground lease, it would be unable to derive income from such hotel. Finally, the Company may not be permitted to sell or finance a hotel subject to a ground lease without the consent of the lessor.

The Company may not be able to complete hotel dispositions when and as anticipated.

The Company continually monitors the profitability of its hotels, market conditions, and capital requirements and attempts to maximize shareholder value by timely disposal of its hotels. Real estate investments are, in general, relatively difficult to sell due to, among other factors, the size of the required investment and the volatility in availability of adequate financing for a potential buyer. This illiquidity will tend to limit the Company's ability to promptly vary its portfolio in response to changes in economic or other conditions. Additionally, factors specific to an individual property, such as its specific market and operating performance, restrictions in franchise and management agreements, debt secured by the property, a ground lease, or capital expenditure needs may further increase the difficulty in selling a property. Therefore, the Company cannot predict whether it will be able to sell any hotels on acceptable terms, or at all. In addition, provisions of the Code relating to REITs have certain limits on the Company's ability to sell hotels.

Real estate impairment losses may adversely affect the Company's financial condition and results of operations.

As a result of changes in an individual hotel's operating results or to the Company's planned hold period for a hotel, the Company may be required to record an impairment loss for a property. The Company analyzes its hotel properties individually for indicators of impairment throughout the year. The Company records an impairment loss on a hotel property if indicators of impairment are present, and the sum of the undiscounted cash flows estimated to be generated by the respective property over its estimated remaining useful life, based on historical and industry data, is less than the property's carrying amount. Indicators of impairment include, but are not limited to, a property with current or potential losses from operations, when it becomes more likely than not that a property will be sold before the end of its previously estimated useful life or when events, trends, contingencies or changes in circumstances indicate that a triggering event has occurred and an asset's carrying value may not be recoverable.

The Company's failure to identify and complete accretive acquisitions may adversely affect the profitability of the Company.

The Company's business strategy includes identifying and completing accretive hotel acquisitions. The Company competes with other investors who are engaged in the acquisition of hotels, and these competitors may affect the supply and demand dynamics and, accordingly, increase the price the Company must pay for hotels it seeks to acquire, or these competitors may succeed in acquiring those hotels. Any delay or failure on the Company's part to identify, negotiate, finance on favorable terms, consummate and integrate such acquisitions could materially impede the Company's growth. The Company may also incur costs that it cannot recover if it abandons a potential acquisition. Also, if the Company does not reinvest proceeds received from hotel dispositions into new properties in a timely manner, the Company's profitability could be negatively impacted. The Company's profitability may also suffer because future acquisitions of hotels may not yield the returns the Company expects and the integration of such acquisitions may disrupt the Company's business or may take longer than projected.

The Company's inability to obtain financing on favorable terms or pay amounts due on its financing may adversely affect the Company's operating results.

Although the Company anticipates maintaining relatively low levels of debt, it may periodically use financing to acquire properties, perform renovations to its properties, or make shareholder distributions or share repurchases in periods of fluctuating income from its properties. The credit markets have historically been volatile and subject to increased regulation, and as a result, the Company may not be able to obtain debt financing to meet its cash requirements, including refinancing any scheduled debt maturities, which may adversely affect its ability to execute its business strategy. If the Company refinances debt, such refinancing may not be in the same amount or on terms as favorable as the terms of the existing debt being refinanced. If the Company is unable to refinance its debt, it may be forced to dispose of hotels or issue equity at inopportune times or on disadvantageous terms, which could result in higher costs of capital.

The Company is also subject to risks associated with increases in interest rates with respect to the Company's variable-rate debt which could reduce cash from operations. In addition, the Company has used interest rate swaps to manage its interest rate risks on a portion of its variable-rate debt, and in the future, it may use hedging arrangements, such as interest rate swaps to manage its exposure to interest rate volatility. The Company's actual hedging decisions are determined in light of the facts and circumstances existing at the time of the hedge. There is no assurance that the Company's hedging strategy will achieve its objectives, and the Company may be subject to costs, such as transaction fees or breakage costs, if it terminates these hedging arrangements.

The phase-out, replacement, or unavailability of LIBOR as the reference interest rate under the Company's variable-rate debt and hedging arrangements could have a material adverse effect on the business, financial condition and results of operations of the Company, and the replacement rate may differ from LIBOR and between the loan and hedge markets.

The Company's variable-rate debt and hedging arrangements use the London Inter-Bank Offered Rate ("LIBOR") as the reference rate. On March 5, 2021, the U.K. Financial Conduct Authority ("FCA") announced staggered dates by which LIBOR settings will either cease to be provided by any administrator or no longer be representative. In connection with the cessation of LIBOR, the Company expects a transition from LIBOR to another reference rate by June 30, 2023.

The Secured Overnight Financing Rate ("SOFR"), which is published by the New York Federal Reserve, has been proposed as the preferred alternative to LIBOR as a reference rate. In October 2020, after a number of industry consultations, the International Swaps and Derivatives Association published a LIBOR transition protocol, to which the Company has adhered. The discontinuation of LIBOR, and the transition to SOFR or another alternative reference rate may be disruptive to financial markets. When LIBOR is discontinued, the interest rate for the Company's variable-rate debt will be based on an alternative reference rate as specified in the applicable documentation governing such debt, and the reference rate for its interest rate swaps will be SOFR unless otherwise agreed. Such an event would not affect the Company's ability to borrow or maintain already outstanding borrowings or outstanding swaps, but SOFR or another replacement reference rate could perform differently than LIBOR prior to its discontinuance. While market participants have proposed certain methods to interpolate and transition between LIBOR and SOFR, there can be no assurance that SOFR (including a term SOFR or compounded SOFR) will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility, or global or regional economic, financial, political, regulatory, judicial or other events.

Furthermore, differences between LIBOR replacement methodology in loan and hedging markets could result in differences in conversion between the Company's variable-rate debt arrangements and corresponding hedges. While the loan market may eventually generally adopt the same replacement for LIBOR as the hedging market, there can be no assurance as to the timing of such adoption and any differences in the timing of adoption of LIBOR replacements between the loan and hedge market as well as differences in methodology and valuation can lead to mismatches in hedging, which could result in changes to the Company's risk exposure, adverse tax or accounting effects, and increased compliance, legal and operational costs. The transition from LIBOR, or any changes or reforms to the determination of LIBOR, could have an adverse impact on the Company's interest rates on its current or future indebtedness, as well as its variable-rate hedging arrangements, which could have a material adverse effect on the business, financial condition and results of operations of the Company.

Compliance with financial and other covenants in the Company's existing or future debt agreements may reduce operational flexibility and create default risk.

The Company's existing indebtedness, whether secured by mortgages on certain properties or unsecured, contains, and indebtedness that the Company may enter into in the future likely will contain, customary covenants that may restrict the Company's operations and limit its ability to enter into future indebtedness. In addition, the Company's ability to borrow under its unsecured credit facilities is subject to compliance with its financial and other covenants, including, among others, a

minimum tangible net worth, maximum debt limits, minimum interest and fixed charge coverage ratios, and restrictions on certain investments. The Company's failure to comply with the covenants in its existing or future indebtedness, or its inability to make required principal and interest payments, could cause a default under the applicable debt agreement, which could result in the acceleration of the debt, requiring the Company to repay such debt with capital obtained from other sources, which may not be available to the Company or may only be available on unfavorable terms.

If the Company defaults on its secured debt, lenders may take possession of the property or properties securing such debt. As a general policy, the Company seeks to obtain mortgages securing indebtedness which encumber only the particular property to which the indebtedness relates, but recourse on these loans may include all of its assets. If recourse on any loan incurred by the Company to acquire or refinance any particular property includes all of its assets, the equity in other properties could be reduced or eliminated through foreclosure on that loan. If a loan is secured by a mortgage on a single property, the Company could lose that property through foreclosure if it defaults on that loan. If the Company defaults under a loan, it is possible that it could become involved in litigation related to matters concerning the loan, and such litigation could result in significant costs for the Company. Additionally, defaulting under a loan may damage the Company's reputation as a borrower and may limit its ability to secure financing in the future.

Technology is used in operations, and any material failure, inadequacy, interruption or security failure of that technology from cyber-attacks or other events could harm the Company's business.

The Company, and its hotel managers and franchisors rely on information technology networks and systems, including the Internet, to process, transmit and store electronic information, and to manage or support a variety of business processes, including financial transactions and records, personally identifiable information, reservations, billing and operating data. The Company and its hotel managers and franchisors rely on commercially available and internally developed systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential operator and customer information, such as personally identifiable information, including information relating to financial accounts. A number of hotels, hotel management companies, and brands have been subject to successful cyber-attacks, including those seeking guest credit card information. Moreover, the risk of a security breach or disruption, particularly through cyber-attack or cyber intrusion, including by computer hackers, nation-state affiliated actors and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. It is possible that the safety and security measures taken by the Company and its hotel managers and franchisors will not be able to prevent damage to the systems, the systems' improper functioning, or the improper access or disclosure of personally identifiable information.

Security breaches, whether through physical or electronic break-ins, cyber-attacks or cyber intrusions over the Internet, malware, computer viruses, attachments to emails, social engineering or phishing schemes, can create system disruptions, shutdowns or unauthorized disclosure of confidential information. Any failure to maintain proper function, security and availability of information systems could interrupt operations, damage the reputations of the Company, the Company's hotel managers or franchisors, and subject the Company to liability claims or regulatory penalties that may not be fully covered by insurance, all of which could have a material adverse effect on the business, financial condition and results of operations of the Company.

Potential losses not covered by insurance may adversely affect the Company's financial condition.

The Company maintains comprehensive insurance coverage for general liability, property, business interruption and other risks with respect to all of its hotels. These policies offer coverage features and insured limits that the Company believes are customary for similar types of properties. There are no assurances that coverage will be available or at reasonable rates in the future. Also, various types of catastrophic losses, like earthquakes, hurricanes and other storms, wildfires, or certain types of terrorism, may not be insurable or may not be economically insurable for all or certain locations. Even when insurable, these policies may have high deductibles and/or high premiums. Additionally, although the Company may be insured for a particular loss, the Company is not insured against the impact a catastrophic event may have on the hospitality industry as a whole. There also can be risks such as certain environmental hazards that may be deemed to fall outside of the coverage. In the event of a substantial loss, the Company's insurance coverage may not be sufficient to cover the full current market value or replacement cost of its lost investment. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital it has invested in a hotel, as well as the anticipated future revenue from the hotel. In that event, the Company might nevertheless remain obligated for any mortgage debt or other financial obligations related to the hotel. Inflation, changes in building codes and ordinances, environmental considerations and other factors might also prevent the Company from using insurance proceeds to replace or renovate a hotel after it has been damaged or destroyed. The Company also may encounter challenges with an insurance provider regarding whether it will pay a particular claim that the Company believes to be covered under the relevant policy. Under those circumstances, the

insurance proceeds the Company receives might be inadequate to restore its economic position in the damaged or destroyed hotel. Additionally, as a result of substantial claims, insurance carriers may reduce insured limits and/or increase premiums, if insurance coverage is provided at all, in the future. Any of these or similar events could have a material adverse effect on the Company's financial condition and results of operations.

The Company faces possible risks associated with the physical effects of, and laws and regulations related to, climate change.

The Company is subject to the risks associated with the physical effects of climate change, which could include more frequent or severe storms, droughts, wildfires, hurricanes and flooding, any of which could have a material adverse effect on the Company's properties, operations and business. To the extent climate change causes changes in weather patterns, the markets in which the Company operates could experience increases in storm intensity and rising sea levels causing damage to the Company's properties. Over time, these conditions could result in declining hotel demand or the Company's inability to operate the affected hotels at all. Climate change also may have indirect effects on the Company's business by increasing the cost of (or making unavailable) property insurance on terms the Company finds acceptable, as well as increasing the cost of renovations, energy and water at its properties. The federal government and some of the states and localities in which the Company operates have enacted certain climate change laws and regulations and/or have begun regulating carbon footprints and greenhouse gas emissions and may enact new laws in the future. Although these laws and regulations have not had any known material adverse effect on the Company to date, they could impact companies with which the Company does business or result in substantial costs to the Company, including compliance costs, construction costs, monitoring and reporting costs and capital expenditures for environmental control facilities and other new equipment. Climate change, and any future laws and regulations, or future interpretations of current laws and regulations, could have a material adverse effect on the Company.

The Company could incur significant, material costs related to government regulation and litigation with respect to environmental matters, which could have a material adverse effect on the Company.

The Company's hotels are subject to various U.S. federal, state and local environmental laws that impose liability for contamination. Under these laws, governmental entities have the authority to require the Company, as the current owner of a hotel, to perform or pay for the clean-up of contamination (including hazardous substances, asbestos and asbestos-containing materials, waste, petroleum products or mold) at, on, under or emanating from the hotel and to pay for natural resource damages arising from such contamination. Such laws often impose liability without regard to whether the owner or operator or other responsible party knew of, or caused such contamination, and the liability may be joint and several. Because these laws also impose liability on persons who owned or operated a property at the time it became contaminated, it is possible the Company could incur cleanup costs or other environmental liabilities even after it sells or no longer operates hotels. Contamination at, on, under or emanating from the Company's hotels also may expose it to liability to private parties for the costs of remediation, personal injury and/or property damage. In addition, environmental laws may create liens on contaminated sites in favor of the government for damages and costs required to address such contamination. If contamination is discovered on the Company's properties, environmental laws also may impose restrictions on the manner in which the properties may be used or 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, if, as part of the remediation of a contaminated property, the Company were to dispose of certain waste products at a waste disposal facility, such as a landfill or an incinerator, the Company may be liable for costs associated with the cleanup of that facility.

In addition, the Company's hotels are subject to various U.S. federal, state, and local environmental, health and safety laws and regulations that address a wide variety of issues, including, but not limited to, storage tanks, air emissions from emergency generators, storm water and wastewater discharges, lead-based paint, mold and mildew, and waste management. Some of the Company's hotels routinely handle and use hazardous or regulated substances and wastes as part of their operations, which are subject to regulation (e.g., swimming pool chemicals and cleaning supplies). The Company's hotels incur costs to comply with these environmental, health and safety laws and regulations, and could be subject to fines and penalties for non-compliance with applicable requirements.

Liabilities and costs associated with environmental contamination at or emanating from the Company's hotel properties, defending against claims related to alleged or actual environmental issues, or complying with environmental, health and safety laws and regulations could be material and could materially and adversely affect the Company. The Company can make no assurances that changes in current laws or regulations or future laws or regulations will not impose additional or new material environmental liabilities or that the current environmental condition of its hotels will not be affected by its operations, the condition of the properties in the vicinity of its hotels, or by third parties unrelated to the

Company. The discovery of material environmental liabilities at its properties could subject the Company to unanticipated significant costs, which could significantly reduce or eliminate its profitability.

The Company may incur significant costs complying with various regulatory requirements, which could materially and adversely affect the Company.

The Company and its hotels are subject to various U.S. federal, state and local regulatory requirements. These requirements are wide-ranging and include among others, state and local fire and life safety requirements, federal laws such as the Americans with Disabilities Act of 1990 and the Accessibility Guidelines promulgated thereunder and the Sarbanes-Oxley Act of 2002. Liabilities and costs associated with complying with these requirements are and could be material. If the Company fails to comply with these various requirements, it could incur governmental fines or private damage awards. In addition, existing requirements could change, and future requirements might require the Company to make significant unanticipated expenditures, which could have material and adverse effects on the Company.

In addition, as a result of these significant regulations, the Company could become subject to regulatory investigations and lawsuits. Regulatory investigations and lawsuits could result in significant costs to respond and costs of fines or settlements, or changes in the Company's business practices, any of which could have a material adverse effect on the financial condition, results of operations, liquidity and capital resources, and cash flows of the Company. The ability of the Company to access capital markets, including commercial debt markets, could also be negatively impacted by unfavorable, or the possibility of unfavorable, outcomes from adverse regulatory actions or lawsuits.

Risks Related to the Company's Organization and Structure

The Company's ownership limitations may restrict or prevent certain acquisitions and transfers of its shares.

In order for the Company to maintain its qualification as a REIT under the Code, not more than 50% in value of its outstanding shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) at any time during the last half of each taxable year following the Company's first year (the "5/50 Test"). Additionally, at least 100 persons must beneficially own the Company's shares during at least 335 days of each taxable year (the "100 Shareholder Test"). The Company's amended and restated articles of incorporation (the "Charter"), with certain exceptions, authorizes the Company's Board of Directors to take the actions that are necessary and desirable to preserve its qualification as a REIT. In addition to the 5/50 Test and the 100 Shareholder Test, the Company's Charter provides that no person or entity may directly or indirectly, beneficially or constructively, own more than 9.8% of the aggregate of its outstanding common shares or 9.8% of the aggregate of the outstanding preferred shares of any class or series ("share ownership limits"). The Company's Board of Directors may, in its sole discretion, grant an exemption to the share ownership limits, subject to certain conditions and the receipt by the Board of Directors of certain representations and undertakings. In addition, the Board of Directors may change the share ownership limits. The share ownership limits contained in the Charter key off the ownership at any time by any "person," which term includes entities, and take into account direct and indirect ownership as determined under various ownership attribution rules in the Code. The share ownership limits might delay or prevent a transaction or a change in the Company's control that might involve a premium price for the Company's common shares or otherwise be in the best interests of its shareholders.

The Company's future issuances of preferred shares or debt securities may adversely affect the voting power or ownership interest of the holders of common shares or may limit the ability of a third party to acquire control of the Company.

The Company's Charter allows the Board of Directors to issue up to 30 million "blank check" preferred shares, without action by shareholders. Preferred shares may be issued on terms determined by the Board of Directors, and may have rights, privileges and preferences superior to those of common shares. Without limiting the foregoing, (i) such preferred shares could have liquidation rights that are senior to the liquidation preference applicable to common shares, (ii) such preferred shares could have voting or conversion rights, which could adversely affect the voting power of the holders of common shares, and (iii) the ownership interest of holders of common shares will be diluted following the issuance of any such preferred shares. In addition, the issuance of blank check preferred shares could have the effect of discouraging, delaying or preventing a change of control of the Company. Additionally, the Company may issue debt securities which would have distribution rights that are senior to common shares and liquidation rights that are senior to the liquidation preference applicable to common shares. Common shareholders bear the risk that the Company's future issuances of preferred shares or debt securities will negatively affect the market price of the Company's common shares.

Provisions of the Company's third amended and restated bylaws could inhibit changes in control.

Provisions in the Company's third amended and restated bylaws may make it difficult for another company to acquire it and for shareholders to receive any related takeover premium for its common shares. Pursuant to the Company's third amended and restated bylaws, directors are elected by the plurality of votes cast and entitled to vote in the election of directors. However, the Company's corporate governance guidelines require that if an incumbent director fails to receive at least a majority of the votes cast, such director will tender his or her resignation from the Board of Directors. The Nominating and Corporate Governance Committee of the Board of Directors will consider, and determine whether to accept, such resignation. Additionally, the third amended and restated bylaws of the Company have various advance notice provisions that require shareholders to meet certain requirements and deadlines for proposals at an annual meeting of shareholders. These provisions may have the effect of delaying, deferring or preventing a transaction or a change in control of the Company that might involve a premium to the price of the Company's common shares or otherwise be in the shareholders' best interests.

The Company's Executive Chairman has interests that may conflict with the interests of the Company and that may detract from the time devoted to the Company.

Glade M. Knight, the Company's Executive Chairman, is and will be a principal in other real estate investment transactions or programs that may compete with the Company, and he is and may be a principal in other business ventures. Mr. Knight's management and economic interests in these other transactions or programs may conflict with the interests of the Company. Mr. Knight is not required to devote a fixed amount of time and attention to the Company's business affairs as opposed to the other companies, which could detract from time devoted to the Company.

Tax-Related Risks and Risks Related to the Company's Status as a REIT

Qualifying as a REIT involves highly technical and complex provisions of the Code and failure of the Company to qualify as a REIT would have adverse consequences to the Company and its shareholders.

The Company's qualification as a REIT involves the application of highly technical and complex Code provisions for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize the Company's REIT qualification. Moreover, new legislation, court decisions or administrative guidance, in each case possibly with retroactive effect, may make it more difficult or impossible for the Company to qualify as a REIT. Maintaining the Company's qualification as a REIT depends on the Company's satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. The Company's ability to satisfy the REIT income and asset tests depends upon the Company's analysis of the characterization and fair market values of the Company's assets, some of which are not susceptible to a precise determination and for which the Company will not obtain independent appraisals, and upon the Company's ability to successfully manage the composition of its income and assets on an ongoing basis. In addition, the Company's ability to satisfy the requirements to maintain its qualification as a REIT depends in part on the actions of third parties over which the Company has no control or only limited influence.

If the Company does not qualify as a REIT or if the Company fails to remain qualified as a REIT, the Company will be subject to U.S. federal corporate income tax and potentially state and local taxes, which would reduce the Company's earnings and the amount of cash available for distribution to its shareholders.

If the Company failed to qualify as a REIT in any taxable year and any available relief provisions did not apply, the Company would be subject to U.S. federal and state corporate income tax on its taxable income at the regular corporate rate, and dividends paid to its shareholders would not be deductible by the Company in computing its taxable income. Unless the Company was entitled to statutory relief under certain Code provisions, the Company also would be disqualified from taxation as a REIT for the four taxable years following the year in which it failed to qualify as a REIT.

Any determination that the Company does not qualify as a REIT would have a material adverse effect on the Company's results of operations and could materially reduce the market price of its common shares. The Company's additional tax liability could be substantial and would reduce its net earnings available for investment, debt service or distributions to shareholders. Furthermore, the Company would no longer be required to make any distributions to shareholders as a condition to REIT qualification and all of its distributions to shareholders would be taxable as ordinary C corporation dividends to the extent of its current and accumulated earnings and profits. The Company's failure to qualify as a REIT also could cause an event of default under loan documents governing its debt.

Even if the Company qualifies as a REIT, it may face other tax liabilities that reduce its cash flow.

Even if the Company qualifies for taxation as a REIT, it may be subject to certain U.S. federal, state and local taxes, including payroll taxes, taxes on any undistributed income, taxes on income from some activities conducted as a result of a foreclosure, a 100% excise tax on any transactions with a TRS that are not conducted on an arm's-length basis, and state or local income, franchise, property and transfer taxes. Moreover, if the Company has net income from the sale of properties that are "dealer" properties (a "prohibited transaction" under the Code), that income will be subject to a 100% tax. The Company could, in certain circumstances, be required to pay an excise or penalty tax (which could be significant in amount) in order to utilize one or more relief provisions under the Code to maintain its qualification as a REIT. In addition, the Company's TRSs will be subject to U.S. federal, state and local corporate income taxes on their net taxable income, if any. Any of these taxes would decrease cash available for other uses, such as the payment of the Company's debt obligations and distributions to shareholders.

REIT distribution requirements could adversely affect the Company's ability to execute its business plan or cause it to increase debt levels or issue additional equity during unfavorable market conditions.

The Company generally must distribute annually at least 90% of its REIT taxable income, subject to certain adjustments and excluding any net capital gain, in order for U.S. federal corporate income tax not to apply to earnings that it distributes. To the extent that the Company satisfies this distribution requirement but distributes less than 100% of its taxable income, the Company will be subject to U.S. federal corporate income tax on its undistributed taxable income. In addition, the Company will be subject to a 4% nondeductible excise tax if the actual amount that the Company pays out to its shareholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws. If there is an adjustment to any of the Company's taxable income or dividends-paid deductions, the Company could elect to use the deficiency dividend procedure in order to maintain the Company's REIT status. That deficiency dividend procedure could require the Company to make significant distributions to its shareholders and to pay significant interest to the IRS.

From time to time, the Company may generate taxable income greater than its income for financial reporting purposes prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP"). In addition, differences in timing between the recognition of taxable income and the actual receipt of cash may occur. As a result, the Company may find it difficult or impossible to meet distribution requirements in certain circumstances. In particular, where the Company experiences differences in timing between the recognition of taxable income and the actual receipt of cash, the requirement to distribute a substantial portion of its taxable income could cause it to: (1) sell assets in unfavorable market conditions; (2) incur debt or issue additional equity on disadvantageous terms; (3) distribute amounts that would otherwise be invested in future acquisitions or capital expenditures or used for the repayment of debt; or (4) make a taxable distribution of its common shares as part of a distribution in which shareholders may elect to receive the Company's common shares or (subject to a limit measured as a percentage of the total distribution) cash, in order to comply with REIT requirements. These alternatives could increase the Company's costs or dilute its equity. In addition, because the REIT distribution requirement prevents the Company from retaining earnings, the Company generally will be required to refinance debt at its maturity with additional debt or equity. Thus, compliance with the REIT requirements may hinder the Company's ability to grow, which could adversely affect the market price of its common shares.

The Company may in the future choose to pay dividends in the form of common shares, in which case shareholders may be required to pay income taxes in excess of the cash dividends they receive.

The Company may seek in the future to distribute taxable dividends that are payable in cash and common shares, at the election of each shareholder. Taxable shareholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of the Company's current and accumulated earnings and profits for U.S. federal income tax purposes, however, generally a shareholder will receive a taxable income deduction for 20% of all ordinary dividends received from a REIT. As a result, shareholders may be required to pay income taxes with respect to such dividends in excess of the cash dividends received. If a U.S. shareholder sells the common shares that it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of common shares at the time of the sale. In addition, in such case, a U.S. shareholder could have a capital loss with respect to the common shares sold that could not be used to offset such dividend income. Furthermore, with respect to certain non-U.S. shareholders, the Company may be required to withhold U.S. federal income tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common shares. In addition, such a taxable share dividend could be viewed as equivalent to a reduction in the Company's cash distributions, and that factor, as well as the possibility that a significant number of the Company's shareholders could determine to sell the common shares in order to pay taxes owed on dividends, may put downward pressure on the market price of the Company's common shares.

If the Company's leases are not respected as true leases for U.S. federal income tax purposes, the Company would likely fail to qualify as a REIT.

To qualify as a REIT, the Company must satisfy two gross income tests, pursuant to which specified percentages of the Company's gross income must be passive income, such as rent. For the rent paid pursuant to the hotel leases with the Company's TRSs, which the Company currently expects will continue to constitute substantially all of the REIT's gross income, to qualify for purposes of the gross income tests, the leases must be respected as true leases for U.S. federal income tax purposes and must not be treated as service contracts, joint ventures or some other type of arrangement. The Company believes that the leases have been and will continue to be respected as true leases for U.S. federal income tax purposes. There can be no assurance, however, that the IRS will agree with this characterization. If the leases were not respected as true leases for U.S. federal income tax purposes, the Company may not be able to satisfy either of the two gross income tests applicable to REITs and may lose its REIT status. Additionally, the Company could be subject to a 100% excise tax for any adjustment to its leases.

If any of the hotel management companies that the Company's TRSs engage do not qualify as "eligible independent contractors," or if the Company's hotels are not "qualified lodging facilities," the Company would likely fail to qualify as a REIT.

Rent paid by a lessee that is a "related party tenant" of the Company generally will not be qualifying income for purposes of the two gross income tests applicable to REITs. An exception is provided, however, for leases of "qualified lodging facilities" to a TRS so long as the hotels are managed by an "eligible independent contractor" and certain other requirements are satisfied. The Company intends to continue to take advantage of this exception. 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. Although the Company intends to monitor future acquisitions and improvements of hotels, the REIT provisions of the Code 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 in all cases.

In addition, the Company's TRS lessees have engaged hotel management companies that are intended to qualify as "eligible independent contractors." Among other requirements, in order to qualify as an "eligible independent contractor," the hotel management company must not own, directly or through its shareholders, more than 35% of the Company's outstanding shares, and no person or group of persons can own more than 35% of the Company's outstanding shares and the shares (or ownership interest) of the hotel management company (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 the Company's shares by the hotel management companies and their owners may not be practical. Accordingly, there can be no assurance that these ownership levels will not be exceeded. In addition, for a hotel management company to qualify as an "eligible independent contractor," such company or a related person must be actively engaged in the trade or business of operating "qualified lodging facilities" (as defined above) for one or more persons not related to the REIT or its TRSs at each time that such company enters into a hotel management contract with a TRS. As of the date hereof, the Company believes the hotel management companies operate "qualified lodging facilities" for certain persons who are not related to the Company or its TRSs. However, no assurances can be provided that this will continue to be the case or that any other hotel management companies that the Company may engage in the future will in fact comply with this requirement in the future.

The Company's ownership of TRSs is limited, and the Company's transactions with its TRSs will cause it to be subject to a 100% penalty tax on certain income or deductions if those transactions are not conducted on arm's-length terms.

A REIT may own up to 100% of the stock of one or more TRSs. A TRS may hold assets and earn income that would not be qualifying assets or income if held or earned directly by a REIT. Both the subsidiary and the REIT must jointly elect to treat the subsidiary as a TRS. A corporation of which a TRS directly or indirectly owns more than 35% of the voting power or value of the stock will automatically be treated as a TRS. Overall, no more than 20% of the value of a REIT's assets may consist of stock or securities of one or more TRSs. The rules also impose a 100% excise tax on certain transactions, including the leases, between the TRS and the REIT that are not conducted on an arm's-length basis.

The Company's TRSs will pay U.S. federal, state and local income taxes on their net taxable income, and their after-tax net income will be available for distribution to the REIT, but is not required to be distributed. The Company has monitored and will continue to monitor the value of its respective investments in its TRSs for the purpose of ensuring

compliance with the ownership limitations applicable to TRSs. In addition, the Company will continue to scrutinize all of its transactions with its TRSs to ensure that they are entered into on arm's-length terms to avoid incurring the 100% excise tax. There can be no assurance, however, that the Company will be able to comply with the rules regarding TRSs or avoid application of the 100% excise tax. The most significant transactions between the Company and its TRSs are the hotel leases from the Company to its TRSs. While the Company believes its leases have customary terms and reflect normal business practices and that the rents paid thereto reflect market terms, there can be no assurance that the IRS will agree.

Complying with REIT requirements may force the Company to forgo and/or liquidate otherwise attractive investment opportunities.

To qualify as a REIT, the Company must continually satisfy tests concerning, among other things, the sources of its income, the nature and diversification of its assets, the amount it distributes to its shareholders and the ownership of its common shares. In order to meet these tests, the Company may be required to liquidate from its portfolio, or contribute to a TRS, otherwise attractive investments in order to maintain its qualification as a REIT. These actions could have the effect of reducing the Company's income and amounts available for distribution to its shareholders. In addition, the Company may be required to make distributions to shareholders at disadvantageous times or when the Company does not have funds readily available for distribution, and may be unable to pursue investments that would otherwise be advantageous to it in order to satisfy the source of income or asset diversification requirements for qualifying as a REIT. Thus, compliance with the REIT requirements may hinder the Company's ability to make, and, in certain cases, maintain ownership of, certain attractive investments.

The Company may be subject to adverse legislative or regulatory tax changes.

The IRS, the U.S. Treasury Department and Congress frequently review U.S. federal income tax legislation, regulations and other guidance. At any time, the U.S. federal income tax laws governing REITs or the administrative interpretations of those laws may be amended or modified. The Company cannot predict whether, when or to what extent new U.S. federal tax laws, regulations, interpretations or rulings will be adopted or modified. Changes to the tax laws, including the possibility of major tax legislation, possibly with retroactive application, may adversely affect taxation of the Company or the Company's shareholders. The Company urges shareholders and prospective shareholders to consult with their tax advisors with respect to the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in the Company's shares. Although REITs generally receive certain tax advantages compared to entities taxed as C corporations, it is possible that future legislation would result in a REIT having fewer tax advantages, and it could become more advantageous for a company that invests in real estate to elect to be treated as a C corporation for U.S. federal income tax purposes.

General Risk Factors

The Company may change its distribution policy or may not have funds available to make distributions to shareholders.

The Board of Directors will continue to evaluate the Company's distribution policy in conjunction with the impact of the economy on its operations, actual and projected financial condition and results of operations, capital expenditure requirements and other factors, including those discussed in this Annual Report on Form 10-K. While the Company intends to reinstitute a monthly distribution beginning in March 2022, there can be no assurance that the Company will continue to make distributions at any particular time or rate, or at all. Further, there is no assurance that a distribution rate achieved for a particular period will be maintained in the future and may, for example, be suspended or adjusted from time to time to a level determined to be prudent in relation to the Company's other cash requirements. The Board of Directors evaluates the distribution rate on an ongoing basis and may make changes at any time if it believes the rate is not appropriate based on REIT taxable income, limitations under financing arrangements, or other cash needs. A suspension of or reduction in the Company's distribution rate could have a material adverse effect on the market price of the Company's common shares.

Further, while the Company generally seeks to make distributions from its operating cash flows, distributions may be made (although there is no obligation to do so) in certain circumstances, in part, from financing proceeds or other sources. While distributions made from such sources would result in the shareholder receiving cash, the consequences to the shareholders would differ from a distribution made from the Company's operating cash flows. For example, if debt financing is the source of a distribution, that financing would not be available for other opportunities, would have to be repaid and interest would accrue on the financing.

The market price and trading volume of the Company's common shares may fluctuate widely and could decline substantially in the future.

The Company's common shares are listed on the NYSE under the ticker symbol "APLE." The market price and trading volume of the Company's common shares may fluctuate widely, depending on many factors, some of which may be beyond the Company's control, including:

- actual versus anticipated differences in the Company's operating results, liquidity, or financial condition;
- publication of research reports about the Company, its hotels or the lodging or overall real estate industry;
- changes in and/or failure to meet analysts' revenue or earnings estimates;
- the reputation of REITs and real estate investments generally, and the attractiveness of REIT equity securities in comparison to other equity securities, including securities issued by other real estate companies, and fixed income instruments;
- changes in accounting principles or other laws and regulations that may adversely affect the Company or its industry;
- strategic actions by the Company or its competitors, such as acquisitions or dispositions, and announcements by franchisors, operators or REITs and other owners in the hospitality industry;
- fluctuations in the stock price and operating results of the Company's competitors; and
- the realization of any of the other risk factors presented in this Annual Report on Form 10-K.

Stock markets in general have historically experienced volatility that has often been unrelated to the operating performance of a particular company or industry. Similar broad market fluctuations may adversely affect the trading price and volume of the Company's common shares.

Future offerings or the perception that future offerings could occur may adversely affect the market price of the Company's common shares and future offerings may be dilutive to existing shareholders.

The Company has in the past and may in the future issue additional common shares. Proceeds from any issuance may be used to finance hotel acquisitions, fund capital expenditures, pay down outstanding debt, or for other corporate purposes. A large volume of sales of the Company's common shares could decrease the market price of the Company's common shares and could impair the Company's ability to raise additional capital through the sale of equity securities in the future. Also, a perception of the possibility of a substantial sale of common shares could depress the market price of the Company's common shares and have a negative effect on the Company's ability to raise capital in the future. In addition, anticipated downward pressure on the price of the Company's common shares due to actual or anticipated sales of common shares could cause some institutions or individuals to engage in short sales of the common shares, which may itself cause the price of the common shares to decline. Because the Company's decision to issue equity securities in any future offering will depend on market conditions and other factors beyond its control, the Company cannot predict or estimate the amount, timing or nature of its future offerings. Therefore, the Company's shareholders bear the risk of the Company's future offerings reducing the market price of its common shares and diluting shareholders equity interests in the Company.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2021, the Company owned 219 hotels with an aggregate of 28,747 rooms located in 36 states. Substantially all of the Company's hotels operate under Marriott or Hilton brands. The hotels are operated and managed under separate management agreements with 16 hotel management companies, none of which are affiliated with the Company. See "Management and Franchise Agreements" in Part I, Item 1, Business, appearing elsewhere in this Annual Report on Form 10-K, for a table summarizing the number of hotels and rooms by brand. The following table summarizes the number of hotels and rooms by state:

Number of Hotels and Guest Rooms by State

State	Number of Hotels	Number of Rooms
Alabama	13	1,246
Alaska	2	304
Arizona	13	1,776
Arkansas	2	248
California	26	3,721
Colorado	4	567
Florida	22	2,844
Georgia	5	585
Idaho	1	186
Illinois	7	1,254
Indiana	4	479
Iowa	3	301
Kansas	3	320
Louisiana	3	422
Maine	3	514
Maryland	2	233
Massachusetts	3	330
Michigan	1	148
Minnesota	3	405
Mississippi	2	168
Missouri	4	544
Nebraska	4	621
New Jersey	5	629
New York	4	554
North Carolina	8	881
Ohio	2	252
Oklahoma	4	545
Oregon	1	243
Pennsylvania	3	391
South Carolina	5	590
Tennessee	11	1,337
Texas	27	3,328
Utah	3	393
Virginia	12	1,722
Washington	3	490
Wisconsin	1	176
Total	219	28,747

The following table is a list of the 219 hotels the Company owned as of December 31, 2021. As noted below, 14 of the Company's hotels are subject to ground leases and 28 of its hotels are encumbered by mortgage notes.

City	State	Brand	Manager [4]	Date Acquired or Completed	Rooms	
Anchorage	AK	Embassy Suites	Stonebridge	4/30/2010	169	(1)
Anchorage	AK	Home2 Suites	Stonebridge	12/1/2017	135	
Auburn	AL	Hilton Garden Inn	LBA	3/1/2014	101	
Birmingham	AL	Courtyard	LBA	3/1/2014	84	
Birmingham	AL	Hilton Garden Inn	LBA	9/12/2017	104	
Birmingham	AL	Home2 Suites	LBA	9/12/2017	106	
Birmingham	AL	Homewood Suites	McKibbon	3/1/2014	95	
Dothan	AL	Hilton Garden Inn	LBA	6/1/2009	104	
Dothan	AL	Residence Inn	LBA	3/1/2014	84	
Huntsville	AL	Hampton	LBA	9/1/2016	98	
Huntsville	AL	Hilton Garden Inn	LBA	3/1/2014	101	
Huntsville	AL	Home2 Suites	LBA	9/1/2016	77	
Huntsville	AL	Homewood Suites	LBA	3/1/2014	107	(1)
Mobile	AL	Hampton	McKibbon	9/1/2016	101	(2)
Prattville	AL	Courtyard	LBA	3/1/2014	84	(1)
Rogers	AR	Hampton	Raymond	8/31/2010	122	
Rogers	AR	Homewood Suites	Raymond	4/30/2010	126	
Chandler	AZ	Courtyard	North Central	11/2/2010	150	
Chandler	AZ	Fairfield	North Central	11/2/2010	110	
Phoenix	AZ	Courtyard	North Central	11/2/2010	164	
Phoenix	AZ	Hampton	North Central	9/1/2016	125	(2)
Phoenix	AZ	Hampton	North Central	5/2/2018	210	
Phoenix	AZ	Homewood Suites	North Central	9/1/2016	134	(2)
Phoenix	AZ	Residence Inn	North Central	11/2/2010	129	
Scottsdale	AZ	Hilton Garden Inn	North Central	9/1/2016	122	
Tempe	AZ	Hyatt House	Crestline	8/13/2020	105	(2)
Tempe	AZ	Hyatt Place	Crestline	8/13/2020	154	(2)
Tucson	AZ	Hilton Garden Inn	Western	7/31/2008	125	
Tucson	AZ	Residence Inn	Western	3/1/2014	124	
Tucson	AZ	TownePlace Suites	Western	10/6/2011	124	
Agoura Hills	CA	Homewood Suites	Dimension	3/1/2014	125	
Burbank	CA	Courtyard	Huntington	8/11/2015	190	(1)
Burbank	CA	Residence Inn	Marriott	3/1/2014	166	
Burbank	CA	SpringHill Suites	Marriott	7/13/2015	170	(1)
Clovis	CA	Hampton	Dimension	7/31/2009	86	
Clovis	CA	Homewood Suites	Dimension	2/2/2010	83	
Cypress	CA	Courtyard	Dimension	3/1/2014	180	
Cypress	CA	Hampton	Dimension	6/29/2015	110	
Oceanside	CA	Courtyard	Marriott	9/1/2016	142	(1)
Oceanside	CA	Residence Inn	Marriott	3/1/2014	125	
Rancho Bernardo/San Diego	CA	Courtyard	InnVentures	3/1/2014	210	(1)
Sacramento	CA	Hilton Garden Inn	Dimension	3/1/2014	153	
San Bernardino	CA	Residence Inn	InnVentures	2/16/2011	95	
San Diego	CA	Courtyard	Huntington	9/1/2015	245	(1)
San Diego	CA	Hampton	Dimension	3/1/2014	177	(1)
San Diego	CA	Hilton Garden Inn	InnVentures	3/1/2014	200	
San Diego	CA	Residence Inn	Dimension	3/1/2014	121	(1)
San Jose	CA	Homewood Suites	Dimension	3/1/2014	140	(1)

City	State	Brand	Manager [4]	Date Acquired or Completed	Rooms	
San Juan Capistrano	CA	Residence Inn	Marriott	9/1/2016	130	(2)
Santa Ana	CA	Courtyard	Dimension	5/23/2011	155	(1)
Santa Clarita	CA	Courtyard	Dimension	9/24/2008	140	
Santa Clarita	CA	Fairfield	Dimension	10/29/2008	66	
Santa Clarita	CA	Hampton	Dimension	10/29/2008	128	
Santa Clarita	CA	Residence Inn	Dimension	10/29/2008	90	
Tustin	CA	Fairfield	Marriott	9/1/2016	145	
Tustin	CA	Residence Inn	Marriott	9/1/2016	149	
Colorado Springs	CO	Hampton	Chartwell	9/1/2016	101	
Denver	CO	Hilton Garden Inn	Stonebridge	9/1/2016	221	(1)
Highlands Ranch	CO	Hilton Garden Inn	Dimension	3/1/2014	128	
Highlands Ranch	CO	Residence Inn	Dimension	3/1/2014	117	
Boca Raton	FL	Hilton Garden Inn	Dimension	9/1/2016	149	
Cape Canaveral	FL	Hampton	LBA	4/30/2020	116	
Cape Canaveral	FL	Homewood Suites	LBA	9/1/2016	153	
Cape Canaveral	FL	Home2 Suites	LBA	4/30/2020	108	
Fort Lauderdale	FL	Hampton	Dimension	6/23/2015	156	
Fort Lauderdale	FL	Residence Inn	LBA	9/1/2016	156	
Gainesville	FL	Hilton Garden Inn	McKibbon	9/1/2016	104	
Gainesville	FL	Homewood Suites	McKibbon	9/1/2016	103	
Jacksonville	FL	Homewood Suites	McKibbon	3/1/2014	119	
Jacksonville	FL	Hyatt Place	Crestline	12/7/2018	127	
Miami	FL	Courtyard	Dimension	3/1/2014	118	(2)
Miami	FL	Hampton	White Lodging	4/9/2010	121	(3)
Miami	FL	Homewood Suites	Dimension	3/1/2014	162	(1)
Orlando	FL	Fairfield	Marriott	7/1/2009	200	
Orlando	FL	Home2 Suites	LBA	3/19/2019	128	
Orlando	FL	SpringHill Suites	Marriott	7/1/2009	200	
Panama City	FL	Hampton	LBA	3/12/2009	95	
Panama City	FL	TownePlace Suites	LBA	1/19/2010	103	
Pensacola	FL	TownePlace Suites	McKibbon	9/1/2016	97	
Tallahassee	FL	Fairfield	LBA	9/1/2016	97	
Tallahassee	FL	Hilton Garden Inn	LBA	3/1/2014	85	(2)
Tampa	FL	Embassy Suites	White Lodging	11/2/2010	147	(3)
Atlanta/Downtown	GA	Hampton	McKibbon	2/5/2018	119	
Atlanta/Perimeter Dunwoody	GA	Hampton	LBA	6/28/2018	132	
Atlanta	GA	Home2 Suites	McKibbon	7/1/2016	128	
Macon	GA	Hilton Garden Inn	LBA	3/1/2014	101	(2)
Savannah	GA	Hilton Garden Inn	Newport	3/1/2014	105	(2)
Cedar Rapids	IA	Hampton	Aimbridge	9/1/2016	103	
Cedar Rapids	IA	Homewood Suites	Aimbridge	9/1/2016	95	
Davenport	IA	Hampton	Aimbridge	9/1/2016	103	
Boise	ID	Hampton	Raymond	4/30/2010	186	(1)
Des Plaines	IL	Hilton Garden Inn	Raymond	9/1/2016	252	
Hoffman Estates	IL	Hilton Garden Inn	White Lodging	9/1/2016	184	(3)
Mettawa	IL	Hilton Garden Inn	White Lodging	11/2/2010	170	(3)
Mettawa	IL	Residence Inn	White Lodging	11/2/2010	130	(3)
Rosemont	IL	Hampton	Raymond	9/1/2016	158	
Skokie	IL	Hampton	Raymond	9/1/2016	225	
Warrenville	IL	Hilton Garden Inn	White Lodging	11/2/2010	135	(3)

City	State	Brand	Manager [4]	Date Acquired or Completed	Rooms	
Indianapolis	IN	SpringHill Suites	White Lodging	11/2/2010	130	(3)
Merrillville	IN	Hilton Garden Inn	White Lodging	9/1/2016	124	(3)
Mishawaka	IN	Residence Inn	White Lodging	11/2/2010	106	(3)
South Bend	IN	Fairfield	White Lodging	9/1/2016	119	(3)
Overland Park	KS	Fairfield	Raymond	3/1/2014	110	
Overland Park	KS	Residence Inn	Raymond	3/1/2014	120	
Wichita	KS	Courtyard	Aimbridge	3/1/2014	90	
Lafayette	LA	Hilton Garden Inn	LBA	7/30/2010	153	(2)
Lafayette	LA	SpringHill Suites	LBA	6/23/2011	103	
New Orleans	LA	Homewood Suites	Dimension	3/1/2014	166	(1)
Marlborough	MA	Residence Inn	Crestline	3/1/2014	112	
Westford	MA	Hampton	Crestline	3/1/2014	110	
Westford	MA	Residence Inn	Crestline	3/1/2014	108	(1)
Annapolis	MD	Hilton Garden Inn	Crestline	3/1/2014	126	
Silver Spring	MD	Hilton Garden Inn	Crestline	7/30/2010	107	
Portland	ME	AC Hotels	Crestline	8/20/2021	178	
Portland	ME	Aloft	Crestline	9/10/2021	157	
Portland	ME	Residence Inn	Crestline	10/13/2017	179	(1)
Novi	MI	Hilton Garden Inn	White Lodging	11/2/2010	148	(3)
Maple Grove	MN	Hilton Garden Inn	North Central	9/1/2016	121	
Rochester	MN	Hampton	Raymond	8/3/2009	124	
St. Paul	MN	Hampton	Raymond	3/4/2019	160	
Kansas City	MO	Hampton	Raymond	8/31/2010	122	
Kansas City	MO	Residence Inn	Raymond	3/1/2014	106	
St. Louis	MO	Hampton	Raymond	8/31/2010	190	
St. Louis	MO	Hampton	Raymond	4/30/2010	126	
Hattiesburg	MS	Courtyard	LBA	3/1/2014	84	(1)
Hattiesburg	MS	Residence Inn	LBA	12/11/2008	84	
Carolina Beach	NC	Courtyard	Crestline	3/1/2014	144	
Charlotte	NC	Fairfield	Newport	9/1/2016	94	
Durham	NC	Homewood Suites	McKibbon	12/4/2008	122	
Fayetteville	NC	Home2 Suites	LBA	2/3/2011	118	
Greensboro	NC	SpringHill Suites	Newport	3/1/2014	82	
Jacksonville	NC	Home2 Suites	LBA	9/1/2016	105	
Wilmington	NC	Fairfield	Crestline	3/1/2014	122	
Winston-Salem	NC	Hampton	McKibbon	9/1/2016	94	
Omaha	NE	Courtyard	Marriott	3/1/2014	181	
Omaha	NE	Hampton	White Lodging	9/1/2016	139	(3)
Omaha	NE	Hilton Garden Inn	White Lodging	9/1/2016	178	(1)(3)
Omaha	NE	Homewood Suites	White Lodging	9/1/2016	123	(3)
Cranford	NJ	Homewood Suites	Dimension	3/1/2014	108	
Mahwah	NJ	Homewood Suites	Dimension	3/1/2014	110	
Mount Laurel	NJ	Homewood Suites	Newport	1/11/2011	118	
Somerset	NJ	Courtyard	Newport	3/1/2014	162	(1)(2)
West Orange	NJ	Courtyard	Newport	1/11/2011	131	
Islip/Ronkonkoma	NY	Hilton Garden Inn	Crestline	3/1/2014	166	
New York	NY	Independent	Highgate	3/1/2014	208	(2)
Syracuse	NY	Courtyard	Crestline	10/16/2015	102	
Syracuse	NY	Residence Inn	Crestline	10/16/2015	78	
Mason	OH	Hilton Garden Inn	Raymond	9/1/2016	110	

City	State	Brand	Manager [4]	Date Acquired or Completed	Rooms	
Twinsburg	OH	Hilton Garden Inn	Aimbridge	10/7/2008	142	
Oklahoma City	OK	Hampton	Raymond	5/28/2010	200	
Oklahoma City	OK	Hilton Garden Inn	Raymond	9/1/2016	155	
Oklahoma City	OK	Homewood Suites	Raymond	9/1/2016	100	
Oklahoma City (West)	OK	Homewood Suites	Chartwell	9/1/2016	90	
Portland	OR	Hampton	Raymond	11/17/2021	243	
Collegeville/Philadelphia	PA	Courtyard	Newport	11/15/2010	132	(1)
Malvern/Philadelphia	PA	Courtyard	Newport	11/30/2010	127	
Pittsburgh	PA	Hampton	Newport	12/31/2008	132	
Charleston	SC	Home2 Suites	LBA	9/1/2016	122	
Columbia	SC	Hilton Garden Inn	Newport	3/1/2014	143	
Columbia	SC	TownePlace Suites	Newport	9/1/2016	91	
Greenville	SC	Hyatt Place	Crestline	9/1/2021	130	
Hilton Head	SC	Hilton Garden Inn	McKibbon	3/1/2014	104	
Chattanooga	TN	Homewood Suites	LBA	3/1/2014	76	
Franklin	TN	Courtyard	Chartwell	9/1/2016	126	
Franklin	TN	Residence Inn	Chartwell	9/1/2016	124	
Knoxville	TN	Homewood Suites	McKibbon	9/1/2016	103	
Knoxville	TN	SpringHill Suites	McKibbon	9/1/2016	103	
Knoxville	TN	TownePlace Suites	McKibbon	9/1/2016	97	
Memphis	TN	Hampton	Crestline	2/5/2018	144	
Memphis	TN	Hilton Garden Inn	Crestline	10/28/2021	150	
Nashville	TN	Hilton Garden Inn	Dimension	9/30/2010	194	
Nashville	TN	Home2 Suites	Dimension	5/31/2012	119	
Nashville	TN	TownePlace Suites	LBA	9/1/2016	101	
Addison	TX	SpringHill Suites	Marriott	3/1/2014	159	
Arlington	TX	Hampton	Western	12/1/2010	98	
Austin	TX	Courtyard	White Lodging	11/2/2010	145	(3)
Austin	TX	Fairfield	White Lodging	11/2/2010	150	(3)
Austin	TX	Hampton	Dimension	4/14/2009	124	
Austin	TX	Hilton Garden Inn	White Lodging	11/2/2010	117	(3)
Austin	TX	Homewood Suites	Dimension	4/14/2009	97	
Austin/Round Rock	TX	Hampton	Dimension	3/6/2009	94	
Austin/Round Rock	TX	Homewood Suites	Dimension	9/1/2016	115	
Dallas	TX	Homewood Suites	Western	9/1/2016	130	
Denton	TX	Homewood Suites	Chartwell	9/1/2016	107	
El Paso	TX	Homewood Suites	Western	3/1/2014	114	
Fort Worth	TX	Courtyard	LBA	2/2/2017	124	
Fort Worth	TX	Hilton Garden Inn	Raymond	11/17/2021	157	
Fort Worth	TX	Homewood Suites	Raymond	11/17/2021	112	
Fort Worth	TX	TownePlace Suites	Western	7/19/2010	140	
Frisco	TX	Hilton Garden Inn	Western	12/31/2008	102	
Grapevine	TX	Hilton Garden Inn	Western	9/24/2010	110	(1)
Houston	TX	Courtyard	LBA	9/1/2016	124	
Houston	TX	Marriott	Western	1/8/2010	206	
Houston	TX	Residence Inn	Western	3/1/2014	129	
Houston	TX	Residence Inn	Western	9/1/2016	120	
Lewisville	TX	Hilton Garden Inn	Aimbridge	10/16/2008	165	
San Antonio	TX	TownePlace Suites	Western	3/1/2014	106	
Shenandoah	TX	Courtyard	LBA	9/1/2016	124	

City	State	Brand	Manager [4]	Date Acquired or Completed	Rooms	
Stafford	TX	Homewood Suites	Western	3/1/2014	78	
Texarkana	TX	Hampton	Aimbridge	1/31/2011	81	
Provo	UT	Residence Inn	Dimension	3/1/2014	114	
Salt Lake City	UT	Residence Inn	Huntington	10/20/2017	136	
Salt Lake City	UT	SpringHill Suites	White Lodging	11/2/2010	143	(3)
Alexandria	VA	Courtyard	Marriott	3/1/2014	178	
Alexandria	VA	SpringHill Suites	Marriott	3/28/2011	155	
Charlottesville	VA	Courtyard	Crestline	3/1/2014	139	
Manassas	VA	Residence Inn	Crestline	2/16/2011	107	
Richmond	VA	Independent	Crestline	10/9/2019	55	
Richmond	VA	Courtyard	White Lodging	12/8/2014	135	(1)
Richmond	VA	Marriott	White Lodging	3/1/2014	413	(2)
Richmond	VA	Residence Inn	White Lodging	12/8/2014	75	(1)
Suffolk	VA	Courtyard	Crestline	3/1/2014	92	
Suffolk	VA	TownePlace Suites	Crestline	3/1/2014	72	
Virginia Beach	VA	Courtyard	Crestline	3/1/2014	141	
Virginia Beach	VA	Courtyard	Crestline	3/1/2014	160	
Kirkland	WA	Courtyard	InnVentures	3/1/2014	150	(1)
Seattle	WA	Residence Inn	InnVentures	3/1/2014	234	(1)
Tukwila	WA	Homewood Suites	Dimension	3/1/2014	106	(1)
Madison	WI	Hilton Garden Inn	Raymond	2/18/2021	176	
Total					28,747	

(1) Hotel is encumbered by mortgage.
(2) Hotel is subject to ground lease.
(3) Manager noted was as of December 31, 2021. Effective February 1, 2022, management responsibility of these 18 properties was transferred to HHM.
(4) The management companies are defined in Note 9 titled “Management and Franchise Agreements” in Part II, Item 8 in this Annual Report on Form 10-K.

The Company’s investment in real estate at December 31, 2021, consisted of the following (in thousands):

Land	$	794,899
Building and Improvements		4,584,829
Furniture, Fixtures and Equipment		488,773
Finance Ground Lease Assets		102,084
Franchise Fees		17,862
		5,988,447
Less Accumulated Depreciation and Amortization		(1,311,262)
Investment in Real Estate, net	$	4,677,185

For additional information about the Company’s properties, refer to Schedule III – Real Estate and Accumulated Depreciation and Amortization included at the end of Part IV, appearing elsewhere in this Annual Report on Form 10-K.

Item 3. Legal Proceedings

The Company is or may be a party to various legal proceedings that arise in the ordinary course of business. The Company is not currently involved in any litigation nor, to management's knowledge, is any litigation threatened against the Company where the outcome would, in management's judgment based on information currently available to the Company, have a material adverse effect on the Company's consolidated financial position or results of operations.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

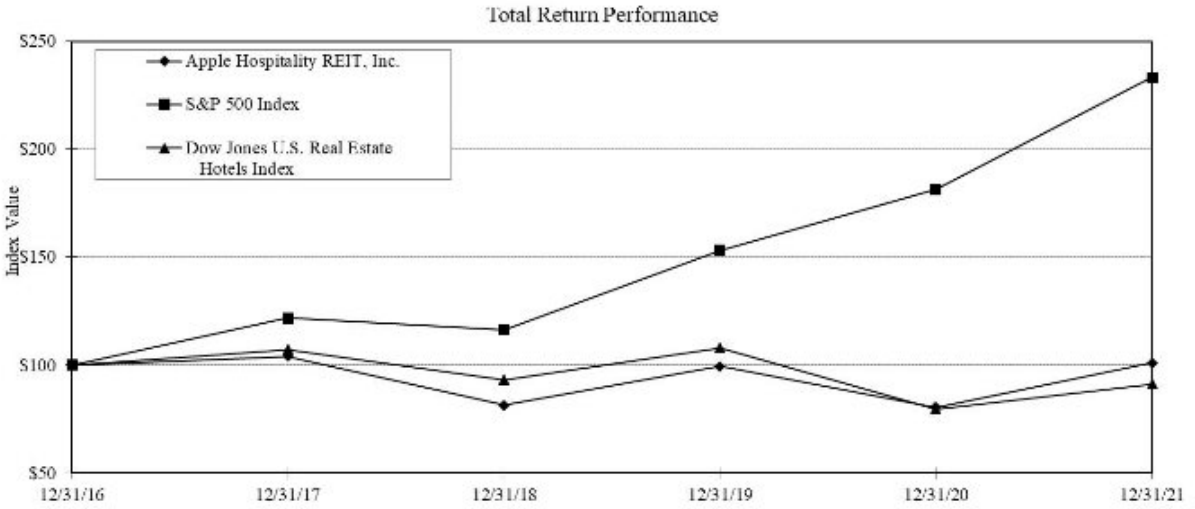
Item 5. Market For Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Market Information

On May 18, 2015, the Company's common shares were listed and began trading on the NYSE under the ticker symbol "APLE" (the "Listing"). Prior to that time, there was no public market for the Company's common shares. As of December 31, 2021 and February 14, 2022, the last reported closing price per share for the Company's common shares as reported on the NYSE was $16.15 and $16.64, respectively.

Share Return Performance

The following graph compares the five-year cumulative total shareholder return of the Company's common shares to the cumulative total returns of the Standard and Poor's 500 Stock Index ("S&P 500 Index") and the Dow Jones U.S. Real Estate Hotels Index. The Dow Jones U.S. Real Estate Hotels Index is comprised of publicly traded REITs which focus on investments in hotel properties. The graph assumes an initial investment of $100 in the Company's common shares and in each of the indices, and also assumes the reinvestment of dividends.



	Value of Initial Investment at					
Name	**12/31/16**	**12/31/17**	**12/31/18**	**12/31/19**	**12/31/20**	**12/31/21**
Apple Hospitality REIT, Inc.	$ 100.00	$ 103.99	$ 81.48	$ 99.38	$ 80.59	$ 101.08
S&P 500 Index	$ 100.00	$ 121.83	$ 116.49	$ 153.17	$ 181.35	$ 233.41
Dow Jones U.S. Real Estate Hotels Index	$ 100.00	$ 107.37	$ 93.30	$ 108.11	$ 79.66	$ 91.24

In its Form 10-K for the year ended December 31, 2020, the Company compared its performance to the SNL U.S. REIT Hotel Index, an index that was discontinued on August 7, 2021.

This performance graph shall not be deemed "filed" for the purposes of Section 18 of the Exchange Act, or incorporated by reference into any filing by the Company under the Securities Act, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing. The performance graph is not indicative of future investment performance. The Company does not make or endorse any predictions as to future share price performance.

Shareholder Information

As of February 14, 2022, the Company had approximately 96 holders of record of its common shares and there were approximately 228 million common shares outstanding. Because many of the Company's common shares are held by brokers and other institutions on behalf of shareholders, the Company believes there are substantially more beneficial holders of its common shares than record holders. In order to comply with certain requirements related to the Company's qualification as a REIT, the Company's Charter provides that, subject to certain exceptions, no person or entity (other than a person or entity who has been granted an exemption) may directly or indirectly, beneficially or constructively, own more than 9.8% of the aggregate of its outstanding common shares or 9.8% of the aggregate of the outstanding preferred shares of any class or series.

Distribution Information

The Company generally must distribute annually at least 90% of its REIT taxable income, subject to certain adjustments and excluding any net capital gain, in order to maintain its REIT status. Subsequent to the distribution paid in March 2020, the Company announced the suspension of its monthly distributions due to the impact of COVID-19 on its operating cash flows. As discussed in Note 4 titled "Debt" in Part II, Item 8 in this Annual Report on Form 10-K, during the Extended Covenant Waiver Period, as a requirement under the amendments to its unsecured credit facilities, the Company was restricted in its ability to make distributions except for the payment of cash distributions of $0.01 per common share per quarter or to the extent required to maintain REIT status. Beginning in March 2021, the Board of Directors declared distributions of $0.01 per common share in the last month of each quarter and the distributions were paid out each following month. In July 2021, the Company notified its lenders under its unsecured credit facilities that it had elected to exit the Extended Covenant Waiver Period effective on July 29, 2021. As a result, upon exiting the Extended Covenant Waiver Period, the Company is no longer subject to the restrictions on distributions that were applicable during the Extended Covenant Waiver Period. For the years ended December 31, 2021 and 2020, the Company paid distributions of $0.03 and $0.30 per common share, for a total of approximately $6.8 million and $67.4 million, respectively. The quarterly distribution of $0.01 per common share declared in December 2021 totaled $2.3 million and was paid on January 18, 2022.

On February 22, 2022, the Company announced that its Board of Directors has reinstated its policy of distributions on a monthly basis and declared a monthly cash distribution of $0.05 per common share for the month of March, payable on March 15, 2022. Although the Company intends to resume paying monthly distributions beginning with the March distribution, the amount and timing of distributions to shareholders are within the discretion of the Company's Board of Directors. The amount and frequency of future distributions will depend on certain items, including but not limited to, the Company's results of operations, cash flow from operations, economic conditions, working capital requirements, cash requirements to fund investing and financing activities, and capital expenditure requirements, including improvements to and expansions of properties, as well as the distribution requirements under federal income tax provisions for qualification as a REIT. As of December 31, 2021, the Company had a net loss carryforward for federal income tax purposes of approximately $35.8 million which may be applied to future taxable earnings subject to limitations imposed by the Code, which will reduce the amount of distributions necessary to maintain the Company's REIT status. As it has done historically, due to seasonality, the Company may use its revolving credit facility to maintain the consistency of the distribution rate, taking into consideration any acquisitions, dispositions, capital improvements and economic cycles.

Share Repurchases

In May 2021, the Company's Board of Directors approved an extension of its existing Share Repurchase Program, authorizing share repurchases up to an aggregate of $345 million. The Share Repurchase Program may be suspended or terminated at any time by the Company and will end in July 2022 if not terminated earlier or extended. During 2020, the Company purchased approximately 1.5 million of its common shares under its Share Repurchase Program at a weighted-average market purchase price of approximately $9.42 per common share for an aggregate purchase price, including commissions, of approximately $14.3 million. The shares were repurchased under a written trading plan that provided for share repurchases in open market transactions and was intended to comply with Rule 10b5-1 under the Exchange Act. In March 2020, the Company terminated its written trading plan, and the Company has not repurchased any shares since that time. Past repurchases under the Share Repurchase Program have been funded, and the Company intends to fund future purchases, with cash on hand or availability under its unsecured credit facilities, subject to applicable restrictions under the Company's unsecured credit facilities (if any). The timing of share repurchases and the number of common shares to be repurchased under the Share Repurchase Program will also depend upon prevailing market conditions, regulatory requirements and other factors.

Additionally, during 2021 and 2020, certain of the Company's employees surrendered common shares to satisfy their tax withholding obligations associated with the vesting of common shares issued under the 2014 Omnibus Incentive Plan (the "Omnibus Plan") as described in Note 8 titled "Compensation Plans" in Part II, Item 8, of the Consolidated Financial Statements and Notes thereto, appearing elsewhere in this Annual Report on Form 10-K.

The following is a summary of all share repurchases during the fourth quarter of 2021:

Issuer Purchases of Equity Securities

	(a)	(b)	(c)	(d)
Period	**Total Number of 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 (in thousands) (1)**
October 1 - October 31, 2021	-	-	-	$ 345,000
November 1 - November 30, 2021	-	-	-	$ 345,000
December 1 - December 31, 2021 (2)	108,292	$ 15.65	-	$ 345,000
Total	108,292		-	

(1) Represents amount outstanding under the Company's authorized $345 million share repurchase program. This program may be suspended or terminated at any time by the Company. If not terminated earlier or extended, the program will end in July 2022. No shares were repurchased under the program during the fourth quarter of 2021.

(2) Consists of common shares surrendered to the Company to satisfy tax withholding obligations associated with the vesting of restricted common shares.

Equity Compensation Plans

The Company's Board of Directors adopted and the Company's shareholders approved the Omnibus Plan, which provides for the issuance of up to 10 million common shares, subject to adjustments, to employees, officers, and directors of the Company or affiliates of the Company, consultants or advisers currently providing services to the Company or affiliates of the Company, and any other person whose participation in the Omnibus Plan is determined by the Compensation Committee to be in the best interests of the Company. The Company's Board of Directors previously adopted, and the Company's shareholders approved, the non-employee directors' stock option plan (the "Directors' Plan") to provide incentives to attract and retain directors. In May 2015, the Directors' Plan was terminated effective upon the Listing, and no further grants can be made under the Directors' Plan, provided however, that the termination did not affect any outstanding director option awards previously issued under the Directors' Plan. The following is a summary of securities issued under the Company's equity compensation plans as of December 31, 2021:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights [1]	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights [2]	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column) [3]
Equity compensation plans approved by security holders	266,664	$ 21.34	7,702,690
Equity compensation plans not approved by security holders	-	-	-
Total equity compensation plans	266,664	$ 21.34	7,702,690

(1) Includes 165,955 stock options granted to the Company's current and former directors under the Directors' Plan. Also includes 100,709 fully vested deferred stock units, including quarterly distributions earned, under the non-employee director deferral program under the Omnibus Plan, adopted by the Board of Directors in 2018, effective June 1, 2018, that are not included in the calculation of the weighted-average exercise price of outstanding options.

(2) The weighted-average exercise price of outstanding options relates solely to stock options, which are the only currently outstanding exercisable security.

(3) Does not include remaining shares registered under the Directors' Plan, as no further grants can be made under the Plan.

Item 6. Reserved

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

The following discussion and analysis should be read in conjunction with Item 8, the Consolidated Financial Statements and Notes thereto, the introduction of Part I regarding "Forward-Looking Statements," and Item 1A, "Risk Factors" appearing elsewhere in this Annual Report on Form 10-K.

Overview

The Company is a Virginia corporation that has elected to be treated as a REIT for federal income tax purposes. The Company is self-advised and invests in income-producing real estate, primarily in the lodging sector, in the U.S. As of December 31, 2021, the Company owned 219 hotels with an aggregate of 28,747 rooms located in urban, high-end suburban and developing markets throughout 36 states. Substantially all of the Company's hotels operate under Marriott or Hilton brands. The hotels are operated and managed under separate management agreements with 16 hotel management companies, none of which are affiliated with the Company. The Company's common shares are listed on the NYSE under the ticker symbol "APLE."

The Impact of COVID-19 on the Company and the Hospitality Industry

Since first being reported in December 2019, COVID-19 has spread globally, including to every state in the U.S. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the U.S. declared a national emergency with respect to COVID-19.

The COVID-19 pandemic has not only specifically reduced travel, but also has had a detrimental impact on regional and global economies and financial markets. The global, national and local impact of the pandemic has continued to evolve and many countries, including the U.S., as well as state and local governments, have reacted and continue to react with a wide variety of measures intended to control its spread, including states of emergency, mandatory quarantines, implementation of "stay at home" orders, business closures, border closings, and restrictions on travel and large gatherings, which has resulted in, and may continue to result in, cancellation of events, including sporting events, conferences and meetings.

The effects of the COVID-19 pandemic on the hotel industry are unprecedented. COVID-19 has disrupted the industry and has dramatically reduced business and impacted leisure travel, which has had a significant adverse impact on, and management expects COVID-19 will continue to significantly adversely impact and disrupt, the Company's business, financial performance and condition, operating results and cash flows. While a number of initial restrictions put into place during 2020 have eased, occupancy and average daily rate ("ADR") during 2021 were still generally below 2019 pre-pandemic levels. Additionally, while the development and distributions of vaccines have helped contribute to improved conditions in 2021, there can be no assurances that the vaccines will contain the spread of the virus and its variants and allow the industry to fully recover. The Company expects the decline in revenue associated with COVID-19 and the overall influence on the U.S. economy to continue to negatively impact the Company's operating results for the foreseeable future. While the Company has experienced significant recovery in leisure travel in 2021, the Company does not expect a full recovery in results until business travel improves and COVID-related government restrictions and other regulations impacting travel and business operations are lifted more broadly.

Since the beginning of the pandemic, the Company, its management companies and its brands have taken steps to minimize costs and cash outflow to maintain a sound liquidity position. The Company has implemented cost elimination and efficiency initiatives at each of the Company's hotels by adjusting operations to manage total labor costs, reducing or eliminating certain amenities and reducing rates under various service contracts; enhanced its sales efforts by focusing on COVID-19-specific demand opportunities in certain markets and has strategically targeted and maximized performance based on available demand; reduced capital improvement projects planned for 2021; and entered into amendments to its unsecured credit facilities that provided for the temporary waiver of financial covenant testing for the majority of its financial maintenance covenants (the Company exited the waiver period in July 2021 due to improved financial performance). Cost reduction initiatives, including those discussed above, are not expected to fully, or even materially, offset revenue losses from COVID-19. The extent and duration of COVID-19 effects continue to remain unknown, and these uncertainties continue to make it difficult to predict operating results for the Company's hotels for the near future. While the Company has experienced improvement in 2021 and expects further improvement, future revenues and operating results could be negatively impacted by, among other things, historical seasonal trends, an increase in COVID-19 cases, new COVID-19 variants, state and local governments and businesses reverting to tighter mitigation restrictions, deterioration of consumer sentiment, changes in business travel, labor shortages and resulting pressure on wages, or significant inflationary impacts. Therefore, there can be no assurances that the Company will not experience setbacks or further declines in hotel revenues or

earnings at its hotels and the Company cannot predict how long the effects will continue to impact the Company's operating results as compared to pre-pandemic levels.

Recent Hotel Portfolio Activities

The Company continually monitors market conditions and attempts to maximize shareholder value by investing in properties that it believes provide superior value over the long term. Consistent with this strategy and the Company's focus on investing in rooms-focused hotels, in 2019 the Company entered into a contract to purchase a 176-room Hilton Garden Inn to be constructed in Madison, Wisconsin. Construction of the hotel was completed in February 2021 and the Company acquired the hotel on February 18, 2021 for a gross purchase price of $49.6 million, utilizing borrowings under the Company's revolving credit facility. In 2021, the Company also acquired seven existing hotels for an aggregate purchase price of approximately $311.9 million: a 178-room AC Hotel in Portland, Maine; a 130-room Hyatt Place in Greenville, South Carolina; a 157-room Aloft in Portland, Maine; a 150-room Hilton Garden Inn in Memphis, Tennessee; a 157-room Hilton Garden Inn in Fort Worth, Texas; a 112-room Homewood Suites in Fort Worth, Texas; and a 243-room Hampton Inn & Suites in Portland, Oregon. The Company utilized available cash (including a portion of the proceeds from the sale of 20 hotels in July 2021) and borrowings under its revolving credit facility to fund the acquisitions and plans to utilize its credit facilities available at closing for any additional acquisitions. In addition, on August 16, 2021, the Company purchased the fee interest in the land at its Seattle, Washington Residence Inn that was previously under a ground lease for a purchase price of $80.0 million, consisting of a $24.0 million cash payment utilizing a portion of the proceeds from the sale of 20 hotels in July 2021 and a one-year note payable to the seller for $56.0 million.

As of December 31, 2021 the Company had an outstanding contract for the potential purchase of a hotel under development in Madison, Wisconsin for a purchase price of $78.6 million, which is expected to be completed as a 260-room Embassy Suites and opened for business in early 2024, at which time the Company expects to complete the purchase of this hotel. Although the Company is working towards acquiring this hotel, there are a number of conditions to closing that have not yet been satisfied and there can be no assurance that closing on this hotel will occur under the outstanding purchase contract.

For its existing portfolio, the Company monitors each property's profitability, market conditions and capital requirements and attempts to maximize shareholder value by disposing of properties when it believes that superior value can be provided from the sale of the property. As a result, in 2021, the Company sold 23 hotels for a total combined gross sales price of $234.6 million and recognized a gain on sale, after giving effect to impairment charges discussed below, of approximately $3.6 million. The Company used the net proceeds from the sales to pay down borrowings under the Company's revolving credit facility, for acquisitions of hotel properties in 2021 and for general corporate purposes.

See Note 2 titled "Investment in Real Estate" and Note 3 titled "Dispositions" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K, for additional information concerning these transactions.

Hotel Operations

As of December 31, 2021, the Company owned 219 hotels with a total of 28,747 rooms as compared to 234 hotels with a total of 29,937 rooms as of December 31, 2020. Results of operations are included only for the period of ownership for hotels acquired or disposed of during all periods presented. During 2021, the Company acquired eight hotels and sold 23 hotels. During 2020, the Company acquired four hotels and sold three hotels. See further discussion in Note 2 titled "Investments in Real Estate" and Note 3 titled "Dispositions" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K. As a result, in addition to the impacts of COVID-19, the comparability of results for the years ended December 31, 2021 and 2020 as discussed below is also impacted by these transactions.

In evaluating financial condition and operating performance, the most important indicators on which the Company focuses are revenue measurements, such as average occupancy, ADR and RevPAR, and expenses, such as hotel operating expenses, general and administrative expenses and other expenses described below.

The following is a summary of the results from operations of the Company's hotels for their respective periods of ownership by the Company:

(in thousands, except statistical data)	Year Ended December 31, 2021	Percent of Revenue	2020	Percent of Revenue	Change 2020 to 2021	2019	Percent of Revenue	Change 2019 to 2020
Total revenue	$ 933,869	100.0%	$ 601,879	100.0%	55.2%	$ 1,266,597	100.0%	-52.5%
Hotel operating expense	542,178	58.1%	402,278	66.8%	34.8%	724,416	57.2%	-44.5%
Property taxes, insurance and other expense	71,980	7.7%	78,238	13.0%	-8.0%	77,498	6.1%	1.0%
General and administrative expense	41,038	4.4%	29,374	4.9%	39.7%	36,210	2.9%	-18.9%
Loss on impairment of depreciable real estate assets	10,754		5,097		111.0%	6,467		-21.2%
Depreciation and amortization expense	184,471		199,786		-7.7%	193,240		3.4%
Gain on sale of real estate	3,596		10,854		-66.9%	5,021		116.2%
Interest and other expense, net	67,748		70,835		-4.4%	61,191		15.8%
Income tax expense	468		332		41.0%	679		-51.1%
Net income (loss)	18,828		(173,207)		n/a	171,917		n/a
Adjusted hotel EBITDA (1)	320,273		121,985		162.6%	464,995		-73.8%
Number of hotels owned at end of period	219		234		-6.4%	233		0.4%
ADR	$ 123.78		$ 111.49		11.0%	$ 137.30		-18.8%
Occupancy	66.3%		46.1%		43.8%	77.0%		-40.1%
RevPAR	$ 82.03		$ 51.34		59.8%	$ 105.72		-51.4%

(1) See reconciliation of Adjusted Hotel EBITDA to net income (loss) in "Non-GAAP Financial Measures" below.

The following table highlights the quarterly impact of COVID-19 on the Company's ADR, Occupancy, RevPAR and adjusted hotel earnings before interest, income taxes, depreciation and amortization for real estate ("Adjusted Hotel EBITDA") during 2021 as compared to 2020 and 2019 (in thousands except statistical data):

	1st Quarter 2021	2nd Quarter 2021	3rd Quarter 2021	4th Quarter 2021	Full Year 2021
ADR	$ 99.19	$ 120.56	$ 140.02	$ 131.04	$ 123.78
Occupancy	55.5%	70.7%	71.5%	67.5%	66.3%
RevPAR	$ 55.09	$ 85.28	$ 100.14	$ 88.43	$ 82.03
Net income (loss)	$ (46,435)	$ 20,283	$ 31,759	$ 13,221	$ 18,828
Adjusted Hotel EBITDA (1)	$ 35,427	$ 94,814	$ 105,423	$ 84,609	$ 320,273

	1st Quarter 2020	2nd Quarter 2020	3rd Quarter 2020	4th Quarter 2020	Full Year 2020
ADR	$ 132.55	$ 100.76	$ 104.78	$ 97.87	$ 111.49
Occupancy	60.9%	28.2%	48.6%	46.5%	46.1%
RevPAR	$ 80.66	$ 28.44	$ 50.94	$ 45.46	$ 51.34
Net loss	$ (2,769)	$ (78,243)	$ (40,948)	$ (51,247)	$ (173,207)
Adjusted Hotel EBITDA (1)	$ 63,297	$ 704	$ 34,688	$ 23,296	$ 121,985

	1st Quarter 2019	2nd Quarter 2019	3rd Quarter 2019	4th Quarter 2019	Full Year 2019
ADR	$ 136.36	$ 141.60	$ 139.21	$ 131.41	$ 137.30
Occupancy	73.9%	81.4%	79.9%	72.9%	77.0%
RevPAR	$ 100.71	$ 115.30	$ 111.17	$ 95.85	$ 105.72
Net income	$ 38,151	$ 62,090	$ 46,223	$ 25,453	$ 171,917
Adjusted Hotel EBITDA (1)	$ 108,804	$ 134,759	$ 124,596	$ 96,836	$ 464,995

(1) See reconciliation of Adjusted Hotel EBITDA to net income (loss) in "Non-GAAP Financial Measures" below.

Beginning in March 2020, COVID-19 caused widespread cancellations of both business and leisure travel throughout the U.S., resulting in significant decreases in RevPAR throughout the Company's hotel portfolio and the hospitality industry as a whole. With the overall uncertainty of the longevity of COVID-19 in the U.S. and the resulting economic decline, it is difficult to project the depth and the duration of revenue declines for the industry and Company; however, the Company currently expects declines in revenue and operating results as compared to 2019 levels to continue into 2022. While the Company experienced its most significant decline in operating results during the second quarter of 2020 as compared to previous quarters, occupancy and RevPAR have since shown improvement. Although the Company expects continued recovery in rate and occupancy, future revenues and operating results could be negatively impacted by, among other things, historical seasonal trends, an increase in COVID-19 cases, new COVID-19 variants, state and local governments and businesses reverting to tighter mitigation restrictions, deterioration of consumer sentiment or significant labor, supply chain and inflationary pressures.

Comparable Hotels Operating Results

The following table reflects certain operating statistics for the Company's 219 hotels owned as of December 31, 2021. The Company defines metrics from Comparable Hotels as results generated by the 219 hotels owned as of the end of the reporting period. For the hotels acquired during the reporting periods shown, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership using information provided by the properties' prior owners at the time of acquisition and not adjusted by the Company. This information has not been audited, either for the periods owned or prior to ownership by the Company. For dispositions, results have been excluded for the Company's period of ownership.

	Year Ended December 31,				
	2021	2020	Change 2020 to 2021	2019	Change 2019 to 2020
ADR	$ 125.43	$ 112.72	11.3%	$ 141.04	-20.1%
Occupancy	66.3%	45.9%	44.4%	77.2%	-40.5%
RevPAR	$ 83.14	$ 51.69	60.8%	$ 108.87	-52.5%

Same Store Operating Results

The following table reflects certain operating statistics for the 204 hotels owned and held for use by the Company as of January 1, 2019 and during the entirety of the reporting periods being compared ("Same Store Hotels"). This information has not been audited.

	Year Ended December 31,				
	2021	2020	Change 2020 to 2021	2019	Change 2019 to 2020
ADR	$ 124.27	$ 112.68	10.3%	$ 140.04	-19.5%
Occupancy	66.8%	46.1%	44.9%	77.3%	-40.4%
RevPAR	$ 83.04	$ 51.99	59.7%	$ 108.20	-52.0%

As discussed above, hotel performance is impacted by many factors, including the economic conditions in the U.S. as well as each individual locality. COVID-19 has been negatively affecting the U.S. hotel industry since March 2020. The Company's revenue and operating results improved during the year ended December 31, 2021 compared to the year ended December 31, 2020, which is consistent with the overall lodging industry. However, as a result of COVID-19, the Company's revenue and operating results generally remained below corresponding 2019 levels and the Company expects these results to continue to be below 2019 levels into 2022. The Company can give no assurances as to the amount or period of decline due to the uncertainty regarding the duration and long-term impact of, as well as governmental and consumer responses to, COVID-19.

Results of Operations

A discussion regarding the Company's results of operations for the year ended December 31, 2021 compared to the year ended December 31, 2020 is presented below. A discussion regarding the results of operations for the year ended

December 31, 2020 compared to the year ended December 31, 2019 can be found under the section titled "Results of Operations" in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of the Company's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 23, 2021, which is incorporated herein by reference and which is available free of charge on the SEC's website at www.sec.gov and in the Investor Information section of the Company's website at www.applehospitalityreit.com.

Revenues

The Company's principal source of revenue is hotel revenue consisting of room, food and beverage, and other related revenue. For the years ended December 31, 2021 and 2020, the Company had total revenue of $933.9 million and $601.9 million, respectively. For the years ended December 31, 2021 and 2020, respectively, Comparable Hotels achieved combined average occupancy of 66.3% and 45.9%, ADR of $125.43 and $112.72 and RevPAR of $83.14 and $51.69. ADR is calculated as room revenue divided by the number of rooms sold, and RevPAR is calculated as occupancy multiplied by ADR.

Compared to 2020, the Company experienced increases in ADR and occupancy in 2021, resulting in an increase of 60.8% in RevPAR, for Comparable Hotels. As compared to 2019 (pre-COVID-19), Comparable Hotels RevPAR for 2021 decreased by 23.6% as a result of a 14.1% reduction in occupancy and an 11.1% decrease in ADR. During March 2020, the hotel industry and the Company began to see a significant decrease in occupancy as both mandated and voluntary restrictions on travel were implemented throughout the U.S. For Comparable Hotels, average occupancy fell below 50% for most of 2020 before improving to 66.3% in 2021 driven predominately by increased leisure demand as a result of improved consumer confidence in travel and the lifting of some COVID-19 mitigation restrictions, but also by increased demand from a wide variety of demand generators such as government, healthcare, automotive, construction, disaster recovery, insurance, athletics, education and local and regional business-related travel. Revenue recovery in 2021 was led by leisure transient and group demand, with increased demand from small corporate and government business. Suburban markets continued to see stronger demand than urban markets. Throughout the hospitality industry, demand for upscale and upper midscale chain scales have outperformed luxury and upper upscale chain scales and suburban locations have outperformed urban locations. As noted above, the Company expects this trend to gradually continue, however, future revenues could be negatively impacted by, among other things, historical seasonal trends, an increase in COVID-19 cases, new COVID-19 variants, state and local governments and businesses reverting to tighter mitigation restrictions, or deterioration of consumer sentiment.

Hotel Operating Expense

The Company, its management companies and the brands the Company's hotels are franchised with have all aggressively worked to mitigate costs and uses of cash associated with operating the hotels in the low-occupancy environment experienced in 2020, have worked to maintain cost-reduction practices where feasible as the economy recovers, and are thoughtfully working to position the hotels to adapt to the changes that may occur to guest preferences in the future. The impact of the pandemic has varied and will continue to vary by market and hotel. With the support of its brands and third-party management companies, the Company will continue to evaluate and implement adjustments to the hotel operating model in response to continued changes in the operating environment and guest preferences.

Hotel operating expense consists of direct room operating expense, hotel administrative expense, sales and marketing expense, utilities expense, repair and maintenance expense, franchise fees and management fees. For the years ended December 31, 2021 and 2020, hotel operating expense totaled $542.2 million and $402.3 million, respectively, or 58.1% and 66.8% of total revenue for each respective year. Comparatively, prior to COVID-19, hotel operating expense was 57.2% of total revenue for the year ended December 31, 2019. The Company has worked and will continue to work with its management companies to optimize staffing models and adjust food and beverage offerings and other amenities, among other efficiency initiatives, to mitigate the impact of revenue declines and cost pressures on its results of operations. For example, the Company has reduced service and amenity offerings as allowed by the relaxation of certain brand standards and the Company also successfully reduced rates under various service contracts. Although certain operating costs of a hotel are more fixed in nature, such as base utility and maintenance costs, the Company has worked and will continue to work to reduce all non-essential costs including service contracts, utilities in areas not utilized and certain maintenance costs. However, the Company may continue to see ongoing cost increases related to both labor and supplies due to scarcity. As occupancy has increased throughout 2021, increasing staffing to meet increased demand has been challenging, and while the Company's hotels made progress in filling open positions during the second half of 2021, they have often done so at higher wage rates. Likewise, supply chain disruptions and broader inflationary pressures throughout the overall economy have driven shortages and increases in the cost of materials and supplies such as food and equipment.

Property Taxes, Insurance and Other Expense

Property taxes, insurance and other expense for the years ended December 31, 2021 and 2020 totaled $72.0 million and $78.2 million, respectively, or 7.7% and 13.0% of total revenue for each respective year, which is consistent with Comparable Hotels expense as a percentage of revenue for the same period. Prior to COVID-19, property taxes, insurance and other expense for the year ended December 31, 2019 totaled $77.5 million or 6.1% of total revenue. The decrease in expenses from 2019 and 2020 to 2021 was primarily due to decreases in property taxes in certain localities as well as the reduction of the hotel portfolio by 15 properties during 2021. Although the Company will continue to aggressively appeal tax assessments in certain jurisdictions in an attempt to minimize tax increases, as warranted, and will continue to monitor locality guidance as a result of COVID-19, it does not currently anticipate significant decreases in property taxes in 2022 as compared to 2021.

General and Administrative Expense

General and administrative expense for the years ended December 31, 2021 and 2020 was $41.0 million and $29.4 million, respectively, or 4.4% and 4.9% of total revenue for each respective year. The principal components of general and administrative expense are payroll and related benefit costs, legal fees, accounting fees and reporting expenses. The increase in general and administrative expense in 2021 as compared to 2020 was primarily due to increased accruals of $12.4 million for executive incentive compensation related to higher shareholder return and operating performance in 2021 as compared to 2020 (see Note 8 titled "Compensation Plans" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K, for additional details). Additionally, in order to minimize costs in 2020, the Company's Executive Chairman voluntarily agreed to forego six months of salary, the Chief Executive Officer volunteered to reduce his target compensation by 60 percent and the non-employee directors on the Board of Directors volunteered as a group to reduce their annual director fees by more than 15 percent.

Loss on Impairment of Depreciable Real Estate Assets

Loss on impairment of depreciable real estate assets was $10.8 million for the year ended December 31, 2021, consisting of impairment losses of $1.3 million for the Overland Park, Kansas SpringHill Suites and $9.4 million for four hotel properties identified by the Company in the first quarter of 2021 for potential sale. Loss on impairment of depreciable real estate assets was $5.1 million for the year ended December 31, 2020 for the Memphis, Tennessee Homewood Suites. See Note 3, titled "Dispositions" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K, for additional information concerning these impairment losses.

Depreciation and Amortization Expense

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 was $184.5 million and $199.8 million, respectively. Depreciation and amortization expense primarily represents expense of the Company's hotel buildings and related improvements, and associated personal property (furniture, fixtures, and equipment) for their respective periods owned. The decrease was primarily due to limited renovation activity and the sale of 23 hotels in 2021 and three hotels in 2020, partially offset by the acquisition of eight hotels in 2021 and four hotels in 2020. Additionally, depreciation and amortization expense for the years ended December 31, 2021 and 2020 includes approximately $5.2 million and $6.4 million, respectively, of expense associated with amortization of the Company's finance ground leases.

Interest and Other Expense, net

Interest and other expense, net for the years ended December 31, 2021 and 2020 was $67.7 million and $70.8 million, respectively, and is net of approximately $0.3 million and $0.9 million, respectively, of interest capitalized associated with renovation projects. Additionally, interest and other expense, net for the years ended December 31, 2021 and 2020 includes approximately $9.4 million and $11.4 million, respectively, of interest recorded on the Company's finance lease liabilities.

Interest expense related to the Company's debt instruments decreased as a result of lower average borrowings under the Company's unsecured credit facilities with similar average interest rates in 2021 as compared to 2020. See Note 4 titled "Debt" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K, for additional discussion of the Company's amended unsecured credit facilities. In addition to decreases in interest due to lower average borrowings under the Company's unsecured credit facilities, interest on the Company's finance leases decreased approximately $2.0 million during 2021 as compared to 2020 due to the August 16, 2021 purchase of the fee interest in the land at the Company's Seattle, Washington Residence Inn that was previously under a ground lease.

Non-GAAP Financial Measures

The Company considers the following non-GAAP financial measures useful to investors as key supplemental measures of its operating performance: Funds from Operations ("FFO"), Modified Funds from Operations ("MFFO"), Earnings Before Interest, Income Taxes, Depreciation and Amortization ("EBITDA"), Earnings Before Interest, Income Taxes, Depreciation and Amortization for Real Estate ("EBITDAre"), Adjusted EBITDAre ("Adjusted EBITDAre") and Adjusted Hotel EBITDA. These non-GAAP financial measures should be considered along with, but not as alternatives to, net income (loss), cash flow from operations or any other operating GAAP measure. FFO, MFFO, EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA are not necessarily indicative of funds available to fund the Company's cash needs, including its ability to make cash distributions. Although FFO, MFFO, EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA, as calculated by the Company, may not be comparable to FFO, MFFO, EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA, as reported by other companies that do not define such terms exactly as the Company defines such terms, the Company believes these supplemental measures are useful to investors when comparing the Company's results between periods and with other REITs.

FFO and MFFO

The Company calculates and presents FFO in accordance with standards established by the National Association of Real Estate Investment Trusts ("Nareit"), which defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains and losses from the sale of certain real estate assets (including gains and losses from change in control), extraordinary items as defined by GAAP, and the cumulative effect of changes in accounting principles, plus real estate related depreciation, amortization and impairments, and adjustments for unconsolidated affiliates. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, most real estate industry investors consider FFO to be helpful in evaluating a real estate company's operations. The Company further believes that by excluding the effects of these items, FFO is useful to investors in comparing its operating performance between periods and between REITs that report FFO using the Nareit definition. FFO as presented by the Company is applicable only to its common shareholders, but does not represent an amount that accrues directly to common shareholders.

The Company calculates MFFO by further adjusting FFO for the exclusion of amortization of finance ground lease assets, amortization of favorable and unfavorable operating leases, net and non-cash straight-line operating ground lease expense, as these expenses do not reflect the underlying performance of the related hotels. The Company presents MFFO when evaluating its performance because it believes that it provides further useful supplemental information to investors regarding its ongoing operating performance.

The following table reconciles the Company's GAAP net income (loss) to FFO and MFFO for the years ended December 31, 2021, 2020 and 2019 (in thousands).

	Year Ended December 31,		
	2021	**2020**	**2019**
Net income (loss)	$ 18,828	$ (173,207)	$ 171,917
Depreciation of real estate owned	179,275	192,346	187,729
Gain on sale of real estate	(3,596)	(10,854)	(5,021)
Loss on impairment of depreciable real estate assets	10,754	5,097	6,467
Funds from operations	205,261	13,382	361,092
Amortization of finance ground lease assets	5,178	6,433	4,517
Amortization of favorable and unfavorable operating leases, net	393	442	124
Non-cash straight-line operating ground lease expense	169	180	188
Modified funds from operations	$ 211,001	$ 20,437	$ 365,921

EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA

EBITDA is a commonly used measure of performance in many industries and is defined as net income (loss) excluding interest, income taxes, depreciation and amortization. The Company believes EBITDA is useful to investors because it helps the Company and its investors evaluate the ongoing operating performance of the Company by removing the impact of its capital structure (primarily interest expense) and its asset base (primarily depreciation and amortization). In addition, certain covenants included in the agreements governing the Company's indebtedness use EBITDA, as defined in the specific credit agreement, as a measure of financial compliance.

In addition to EBITDA, the Company also calculates and presents EBITDAre in accordance with standards established by Nareit, which defines EBITDAre as EBITDA, excluding gains and losses from the sale of certain real estate assets (including gains and losses from change in control), plus real estate related impairments, and adjustments to reflect the entity's share of EBITDAre of unconsolidated affiliates. The Company presents EBITDAre because it believes that it provides further useful information to investors in comparing its operating performance between periods and between REITs that report EBITDAre using the Nareit definition.

The Company also considers the exclusion of non-cash straight-line operating ground lease expense from EBITDAre useful, as this expense does not reflect the underlying performance of the related hotels (Adjusted EBITDAre).

The Company further excludes actual corporate-level general and administrative expense for the Company from Adjusted EBITDAre (Adjusted Hotel EBITDA) to isolate property-level operational performance over which the Company's hotel operators have direct control. The Company believes Adjusted Hotel EBITDA provides useful supplemental information to investors regarding operating performance and is used by management to measure the performance of the Company's hotels and effectiveness of the operators of the hotels.

The following table reconciles the Company's GAAP net income (loss) to EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA for the years ended December 31, 2021, 2020 and 2019 (in thousands).

	Year Ended December 31,		
	2021	**2020**	**2019**
Net income (loss)	$ 18,828	$ (173,207)	$ 171,917
Depreciation and amortization	184,471	199,786	193,240
Amortization of favorable and unfavorable operating leases, net	393	442	124
Interest and other expense, net	67,748	70,835	61,191
Income tax expense	468	332	679
EBITDA	271,908	98,188	427,151
Gain on sale of real estate	(3,596)	(10,854)	(5,021)
Loss on impairment of depreciable real estate assets	10,754	5,097	6,467
EBITDAre	279,066	92,431	428,597
Non-cash straight-line operating ground lease expense	169	180	188
Adjusted EBITDAre	279,235	92,611	428,785
General and administrative expense	41,038	29,374	36,210
Adjusted Hotel EBITDA	$ 320,273	$ 121,985	$ 464,995

The following tables reconcile the Company's GAAP net income (loss) to EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA by quarter for the years ended December 31, 2021, 2020 and 2019 (in thousands).

	1st Quarter 2021	2nd Quarter 2021	3rd Quarter 2021	4th Quarter 2021
Net income (loss)	$ (46,435)	$ 20,283	$ 31,759	$ 13,221
Depreciation and amortization	48,710	46,386	44,217	45,158
Amortization of favorable and unfavorable operating leases, net	98	98	98	99
Interest and other expense, net	18,513	18,618	15,977	14,640
Income tax expense	108	87	114	159
EBITDA	20,994	85,472	92,165	73,277
(Gain) loss on sale of real estate	(4,484)	864	(44)	68
Loss on impairment of depreciable real estate assets	10,754	-	-	-
EBITDAre	27,264	86,336	92,121	73,345
Non-cash straight-line operating ground lease expense	44	43	41	41
Adjusted EBITDAre	27,308	86,379	92,162	73,386
General and administrative expense	8,119	8,435	13,261	11,223
Adjusted Hotel EBITDA	$ 35,427	$ 94,814	$ 105,423	$ 84,609

	1st Quarter 2020	2nd Quarter 2020	3rd Quarter 2020	4th Quarter 2020
Net income (loss)	$ (2,769)	$ (78,243)	$ (40,948)	$ (51,247)
Depreciation and amortization	49,522	49,897	50,171	50,196
Amortization of favorable and unfavorable operating leases, net	101	101	103	137
Interest and other expense, net	15,566	18,386	18,531	18,352
Income tax expense	146	58	61	67
EBITDA	62,566	(9,801)	27,918	17,505
(Gain) loss on sale of real estate	(8,839)	54	-	(2,069)
Loss on impairment of depreciable real estate assets	-	4,382	-	715
EBITDAre	53,727	(5,365)	27,918	16,151
Non-cash straight-line operating ground lease expense	47	44	44	45
Adjusted EBITDAre	53,774	(5,321)	27,962	16,196
General and administrative expense	9,523	6,025	6,726	7,100
Adjusted Hotel EBITDA	$ 63,297	$ 704	$ 34,688	$ 23,296

	1st Quarter 2019	2nd Quarter 2019	3rd Quarter 2019	4th Quarter 2019
Net income	$ 38,151	$ 62,090	$ 46,223	$ 25,453
Depreciation and amortization	47,950	48,109	47,887	49,294
Amortization of favorable and unfavorable operating leases, net	31	31	31	31
Interest and other expense, net	15,494	15,857	14,759	15,081
Income tax expense	206	156	143	174
EBITDA	101,832	126,243	109,043	90,033
(Gain) loss on sale of real estate	(1,213)	161	-	(3,969)
Loss on impairment of depreciable real estate assets	-	-	6,467	-
EBITDAre	100,619	126,404	115,510	86,064
Non-cash straight-line operating ground lease expense	48	47	47	46
Adjusted EBITDAre	100,667	126,451	115,557	86,110
General and administrative expense	8,137	8,308	9,039	10,726
Adjusted Hotel EBITDA	$ 108,804	$ 134,759	$ 124,596	$ 96,836

Hotels Owned

As of December 31, 2021, the Company owned 219 hotels with an aggregate of 28,747 rooms located in 36 states. See "Management and Franchise Agreements" in Part I, Item 1, Business, appearing elsewhere in this Annual Report on Form 10-K, for a table summarizing the number of hotels and rooms by brand. Refer to Part I, Item 2, of this Annual Report on Form 10-K for tables summarizing the number of hotels and rooms by state, and summarizing the location, brand, manager, date acquired or completed and number of rooms for each of the 219 hotels the Company owned as of December 31, 2021.

Related Parties

The Company has, and is expected to continue to engage in, transactions with related parties. These transactions cannot be construed to be at arm's length and the results of the Company's operations may be different if these transactions were conducted with non-related parties. See Note 6, titled "Related Parties" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K, for additional information concerning the Company's related party transactions.

Liquidity and Capital Resources

Capital Resources

The Company's principal short term sources of liquidity are the operating cash flows generated from the Company's properties and availability under its revolving credit facility. Over the long term, the Company may receive proceeds from strategic additional secured and unsecured debt financing, dispositions of its hotel properties (such as the sale of 23 hotels in 2021 for proceeds of approximately $234.6 million discussed above in "Recent Hotel Portfolio Activities") and offerings of the Company's common shares, including pursuant to the ATM Program (as defined below).

As of December 31, 2021, the Company had approximately $1.4 billion of total outstanding debt consisting of $498.0 million of mortgage debt and $946.0 million outstanding under its credit facilities, excluding unamortized debt issuance costs and fair value adjustments. As of December 31, 2021, the Company had available corporate cash on hand of approximately $3.3 million as well as unused borrowing capacity under its $425 million revolving credit facility of approximately $349.0 million. In the near term, the impact of COVID-19 on the global economy, including any sustained decline in the Company's performance, may make it more difficult or costly for the Company to raise debt or equity capital to fund long-term liquidity requirements. The credit agreements governing the unsecured credit facilities contain mandatory prepayment requirements, customary affirmative and negative covenants and events of default. The credit agreements require that the Company comply with various covenants, which include, among others, a minimum tangible net worth, maximum debt limits, minimum interest and fixed charge coverage ratios, and restrictions on certain investments.

As a result of COVID-19 and the associated disruption to the Company's operating results, the Company entered into amendments in June 2020 that suspended the testing of the Company's existing financial maintenance covenants under the unsecured credit facilities. These amendments imposed certain restrictions regarding its investing and financing activities including, but not limited to, limitations on the acquisition of property, payment of distributions to shareholders (except to the extent required to maintain REIT status), capital expenditures and use of proceeds from the sale of property or common shares of the Company, that applied during such testing suspension period. On March 1, 2021, as a result of the continued disruption from COVID-19 and the related uncertainty with respect to the Company's future operating results, the Company entered into further amendments to each of the unsecured credit facilities to extend the covenant waiver period for all but two of the Company's existing financial maintenance covenants until the date that the compliance certificate was required to be delivered for the fiscal quarter ending June 30, 2022 (unless the Company elected an earlier date) (the "Extended Covenant Waiver Period"). The testing for the Minimum Fixed Charge Coverage Ratio and the Minimum Unsecured Interest Coverage Ratio was suspended until the compliance certificate was required to be delivered for the fiscal quarter ending March 31, 2022 (unless the Company elected an earlier date). The amendment provided for continued restrictions on the Company's ability to make cash distributions, except for the payment of cash dividends of $0.01 per common share per quarter or to the extent required to maintain REIT status.

Additionally, these amendments modified the calculation of the existing financial covenants for the first three quarterly calculations subsequent to the end of the Extended Covenant Waiver Period to annualize calculated amounts based on the period beginning with the first fiscal quarter upon exiting the Extended Covenant Waiver Period through the most recently ended fiscal quarter. The March 2021 amendments also modified certain of the existing financial maintenance covenants to

less restrictive levels upon exiting the Extended Covenant Waiver Period as follows (capitalized terms are defined in the credit agreements):

- Maximum Consolidated Leverage Ratio of 8.50 to 1.00 for the first two fiscal quarters, 8.00 to 1.00 for two fiscal quarters, 7.50 to 1.00 for one fiscal quarter and then a ratio of 6.50 to 1.00 thereafter;
- Minimum Fixed Charge Coverage Ratio of 1.05 to 1.00 for the first fiscal quarter, 1.25 to 1.00 for one fiscal quarter and then a ratio of 1.50 to 1.00 thereafter;
- Minimum Unsecured Interest Coverage Ratio of no less than 1.25 to 1.00 for one fiscal quarter, 1.50 to 1.00 for one fiscal quarter, 1.75 to 1.00 for one fiscal quarter and a ratio of 2.00 to 1.00 thereafter; and
- Maximum Unsecured Leverage Ratio of 65% for two fiscal quarters and 60% thereafter.

Except as otherwise set forth in the amendments, the terms of the credit agreements remain in effect.

In July 2021, the Company notified its lenders under its unsecured credit facilities that it had elected to exit the Extended Covenant Waiver Period effective on July 29, 2021. Upon exiting the Extended Covenant Waiver Period, the Company is no longer subject to the restrictions described above regarding its investing and financing activities that were applicable during the Extended Covenant Waiver Period, including, but not limited to, limitations on the acquisition of property, payment of distributions to shareholders, capital expenditures and use of proceeds from the sale of property or common shares of the Company. Those restrictions, including the restriction on payment of distributions to shareholders, were still in place throughout the second quarter of 2021.

The Company's annualized results for the nine months ended December 31, 2021 met the financial maintenance covenants based on the thresholds stipulated for the third fiscal quarter tested upon exiting the Extended Covenant Waiver Period as described in Note 4 titled "Debt" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K. The unsecured credit facilities do not provide the Company the ability to re-enter the Extended Covenant Waiver Period once it has elected to exit.

See Note 4 titled "Debt" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K, for a description of the Company's debt instruments as of December 31, 2021.

The Company has a universal shelf registration statement on Form S-3 (No. 333-231021) that was automatically effective upon filing on April 25, 2019. The Company may offer an indeterminate number or amount, as the case may be, of (1) common shares, no par value per share; (2) preferred shares, no par value per share; (3) depository shares representing the Company's preferred shares; (4) warrants exercisable for the Company's common shares, preferred shares or depository shares representing preferred shares; (5) rights to purchase common shares; and (6) unsecured senior or subordinate debt securities, all of which may be issued from time to time on a delayed or continuous basis pursuant to Rule 415 under the Securities Act. Future offerings will depend on a variety of factors to be determined by the Company, including market conditions, the trading price of the Company's common shares and opportunities for uses of any proceeds.

In connection with the shelf registration statement, on August 12, 2020, the Company entered into an equity distribution agreement pursuant to which the Company may sell, from time to time, up to an aggregate of $300 million of its common shares under an at-the-market offering program (the "ATM Program"). As of December 31, 2021, the Company had sold approximately 4.7 million common shares under its ATM Program at a weighted-average market sales price of approximately $16.26 per common share and received aggregate gross proceeds of approximately $76.0 million and proceeds net of offering costs, which included $0.9 million of commissions, of approximately $75.1 million. The Company used the net proceeds from the sale of these shares primarily to pay down borrowings under its revolving credit facility and used the corresponding increased availability under the revolving credit facility for general corporate purposes, including acquisitions of hotel properties. As of December 31, 2021, approximately $224.0 million remained available for issuance under the ATM Program. The Company plans to use future net proceeds from the sale of these shares to continue to pay down borrowings under its revolving credit facility (if any). The Company plans to use the corresponding increased availability under the revolving credit facility for general corporate purposes which may include, among other things, acquisitions of additional properties, the repayment of other outstanding indebtedness, capital expenditures, improvement of properties in its portfolio and working capital. The Company may also use the net proceeds to acquire another REIT or other company that invests in income producing properties.

Capital Uses

The Company anticipates that cash flow from operations, availability under its credit facilities, additional borrowings and proceeds from hotel dispositions and equity offerings will be adequate to meet its anticipated liquidity requirements, including debt service, hotel acquisitions, hotel renovations, share repurchases, and required distributions to shareholders.

Distributions

The Company generally must distribute annually at least 90% of its REIT taxable income, subject to certain adjustments and excluding any net capital gain, in order to maintain its REIT status. Subsequent to the distribution paid in March 2020, the Company announced the suspension of its monthly distributions due to the impact of COVID-19 on its operating cash flows. As discussed in Note 4 titled "Debt" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K, during the Extended Covenant Waiver Period, as a requirement under the amendments to its unsecured credit facilities, the Company was restricted in its ability to make distributions except for the payment of cash distributions of $0.01 per common share per quarter or to the extent required to maintain REIT status. Beginning in March 2021, the Board of Directors declared distributions of $0.01 per common share in the last month of each quarter and the distributions were paid out each following month. In July 2021, the Company notified its lenders under its unsecured credit facilities that it had elected to exit the Extended Covenant Waiver Period effective on July 29, 2021. As a result, upon exiting the Extended Covenant Waiver Period, the Company is no longer subject to the restrictions on distributions that were applicable during the Extended Covenant Waiver Period. Distributions paid for the years ended December 31, 2021, 2020 and 2019 were $0.03, $0.30 and $1.20 per common share, respectively, for a total of approximately $6.8 million, $67.4 million and $268.7 million, respectively. The quarterly distribution declared in December 2021 totaled $2.3 million and was paid on January 18, 2022.

On February 22, 2022, the Company announced that its Board of Directors has reinstated its policy of distributions on a monthly basis and declared a monthly cash distribution of $0.05 per common share for the month of March, payable on March 15, 2022. While the Company currently expects monthly distributions to continue, each distribution is subject to approval by the Board of Directors. The Company's Board of Directors, in consultation with management, will continue to monitor hotel operations as well as the timing and level of distributions in relation to the Company's other cash requirements or in order to maintain its REIT status for federal income tax purposes. As of December 31, 2021, the Company had a net loss carryforward for federal income tax purposes of approximately $35.8 million which may be applied to future taxable earnings subject to limitations imposed by the Code, which will reduce the amount of distributions necessary to maintain the Company's REIT status.

Share Repurchases

In May 2021, the Company's Board of Directors approved an extension of its existing Share Repurchase Program, authorizing share repurchases up to an aggregate of $345 million. The Share Repurchase Program may be suspended or terminated at any time by the Company and will end in July 2022 if not terminated earlier or extended. No common shares were repurchased in 2021. During 2020 and 2019, the Company purchased, under its Share Repurchase Program, approximately 1.5 million and 0.3 million of its common shares, respectively, at a weighted-average market purchase price of approximately $9.42 and $14.92 per common share, respectively, for an aggregate purchase price, including commissions, of approximately $14.3 million and $4.3 million, respectively. The shares were repurchased under a written trading plan that provided for share repurchases in open market transactions and was intended to comply with Rule 10b5-1 under the Exchange Act. Past repurchases under the Share Repurchase Program have been funded, and the Company intends to fund future repurchases, with cash on hand or availability under its unsecured credit facilities, subject to applicable restrictions under the Company's unsecured credit facilities (if any). The timing of share repurchases and the number of common shares to be repurchased under the Share Repurchase Program will also depend upon prevailing market conditions, regulatory requirements and other factors.

Capital Improvements

Management routinely monitors the condition and operations of its hotels and plans renovations and other improvements as it deems prudent. The Company has ongoing capital commitments to fund its capital improvements. To maintain and enhance each property's competitive position in its market, the Company has invested in and plans to continue to reinvest in its hotels. Under certain loan and management agreements, the Company is required to place in escrow funds for the repair, replacement and refurbishing of furniture, fixtures, and equipment, based on a percentage of gross revenues, provided that such amount may be used for the Company's capital expenditures with respect to the hotels. As of December 31, 2021, the Company held approximately $29.3 million in reserve related to these properties. During 2021, the Company invested approximately $25.8 million in capital expenditures and anticipates spending approximately $55 to $65

million during 2022, which includes various renovation projects for approximately 20 to 25 properties. The Company does not currently have any existing or planned projects for new property development.

Upcoming Debt Maturities and Debt Service Payments

The Company has approximately $287.1 million of principal and interest payments due on its debt over the next 12 months. Included in this total is $76.0 million due on the Company's revolving credit facility, which matures on July 27, 2022, but the facility can be extended up to one year, subject to certain conditions including covenant compliance and additional fees. The Company presently has the intent and ability to exercise this extension. Also included is approximately $155.7 million of mortgage loans maturing in the second half of 2022, which the Company plans to pay off using borrowings under its revolving credit facility and/or new financing. See Note 4 titled "Debt" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K, for more detail regarding future maturities of the Company's debt instruments as of December 31, 2021.

Hotel Purchase Contract Commitments

As of December 31, 2021, the Company had one outstanding contract, which was entered into during 2021, for the potential purchase of a hotel currently under development for a total expected purchase price of approximately $78.6 million. The hotel is expected to be completed as a 260-room Embassy Suites and opened for business in early 2024, at which time the Company expects to complete the purchase of this hotel. Although the Company is working towards acquiring this hotel, there are many conditions to closing that have not yet been satisfied and there can be no assurance that closing on this hotel will occur under the outstanding purchase contract. The Company plans to utilize its available cash or borrowings under its unsecured credit facilities available at closing to purchase the hotel.

Lease Commitments

The Company is the lessee on certain ground leases, hotel equipment leases and office space leases. As of December 31, 2021, the Company had 14 hotels subject to ground leases and three parking lot ground leases with remaining terms ranging from approximately two to 97 years, excluding renewal options. Certain of its ground leases have options to extend beyond the initial lease term by periods ranging from five to 120 years. As of December 31, 2021, the Company has total remaining minimum lease payments of $296.8 million, including $6.7 million due in the next year. Refer to Note 10, titled "Lease Commitments" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K for additional details.

Cash Management Activities

As part of the cost sharing arrangements discussed in Note 6, titled "Related Parties" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K, certain day-to-day transactions may result in amounts due to or from the Company and ARG. To efficiently manage cash disbursements, the Company or ARG may make payments for the other company. Under the cash management process, each company may advance or defer up to $1 million at any time. Each quarter, any outstanding amounts are settled between the companies. This process allows each company to minimize its cash on hand and reduces the cost for each company. The amounts outstanding at any point in time are not significant to either of the companies.

Management and Franchise Agreements

Each of the Company's 219 hotels owned as of December 31, 2021 is operated and managed under separate management agreements with 16 hotel management companies, none of which are affiliated with the Company. Thirteen of the Company's hotels are managed by affiliates of Marriott. The remainder of the Company's hotels are managed by companies that are not affiliated with either Marriott, Hilton or Hyatt, and as a result, the branded hotels they manage were required to obtain separate franchise agreements with the applicable franchisor. See Note 9, titled "Management and Franchise Agreements" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K, for additional information pertaining to the management and franchise agreements, including a listing of the Company's hotel management companies.

Business Interruption

Being in the real estate industry, the Company is exposed to natural disasters on both a local and national scale. Although management believes it has adequate insurance to cover this exposure, there can be no assurance that such events will not have a material adverse effect on the Company's financial position or results of operations.

Seasonality

The hotel industry has been historically seasonal in nature. Seasonal variations in occupancy at the Company's hotels may cause quarterly fluctuations in its revenues. Generally, occupancy rates and hotel revenues for the Company's hotels are greater in the second and third quarters than in the first and fourth quarters. However, due to the effects of COVID-19, these typical seasonal patterns were disrupted in 2020 and 2021, although the Company experienced some seasonal decrease in demand in the first and fourth quarter of each year. To the extent that cash flow from operations is insufficient during any quarter, due to temporary or seasonal fluctuations in revenue, the Company expects to utilize cash on hand or available financing sources to meet cash requirements.

Critical Accounting Policies and Estimates

The following contains a discussion of what the Company believes to be its critical accounting policies and estimates. These items should be read to gain a further understanding of the principles and estimates used to prepare the Company's financial statements. These principles and estimates include application of judgment; therefore, changes in judgments may have a material impact on the Company's reported results of operations and financial condition.

Investment Policy

Upon acquisition of real estate properties, the Company estimates the fair value of acquired tangible assets (consisting of land, buildings and improvements, and furniture, fixtures and equipment) and identified intangible assets and liabilities, including in-place leases, and assumed debt based on the evaluation of information and estimates available at that date. Fair values for these assets are not directly observable and estimates are based on comparables and other information which is subjective in nature, including comparable land sales as well as industry and Company data regarding building and furniture, fixture and equipment costs, including adjustments for estimated depreciation based on the age of the property acquired and time since its most recent renovation. The Company has not assigned any value to management contracts and franchise agreements as such contracts are generally at current market rates based on the remaining terms of the contracts and any other value attributable to these contracts is not considered material. Acquisitions of hotel properties are generally accounted for as acquisitions of a group of assets, with costs incurred to effect an acquisition, including title, legal, accounting, brokerage commissions and other related costs, being capitalized as part of the cost of the assets acquired, instead of accounted for separately as expenses in the period that they are incurred. The underlying assumptions are subject to uncertainty and thus any changes to the allocation of fair value to each of the various line items within the Company's consolidated balance sheets could have an impact on the Company's financial condition as well as results of operations due to resulting changes in depreciation and amortization as a result of the fair value allocation. The acquisitions of real estate subject to this estimate totaled eight properties for a combined purchase price of $361.5 million for the year ended December 31, 2021 and four properties for a combined purchase price of $111.3 million for the year ended December 31, 2020.

Capitalization Policy

The Company considers expenditures to be capital in nature based on the following criteria: (1) for a single asset, the cost must be at least $500, including all normal and necessary costs to place the asset in service, and the useful life must be at least one year; (2) for group purchases of 10 or more identical assets, the unit cost for each asset must be at least $50, including all normal and necessary costs to place the asset in service, and the useful life must be at least one year; and (3) for major repairs to a single asset, the repair must be at least $2,500 and the useful life of the asset must be substantially extended.

Impairment Losses Policy

The Company records impairment losses on hotel properties used in operations if indicators of impairment are present, and the sum of the undiscounted cash flows estimated to be generated by the respective properties over their estimated remaining useful life, based on historical and industry data, is less than the properties' carrying amount. Indicators of impairment include a property with current or potential losses from operations, when it becomes more likely than not that a property will be sold before the end of its previously estimated useful life or when events, trends, contingencies or changes in circumstances indicate that a triggering event has occurred and an asset's carrying value may not be recoverable. The Company monitors its properties on an ongoing basis by analytically reviewing financial performance and considers each property individually for purposes of reviewing for indicators of impairment. As many indicators of impairment are subjective, such as general economic and market declines, the Company also prepares an annual recoverability analysis for each of its properties to assist with its evaluation of impairment indicators. Given the disruption in 2020 and 2021 caused by COVID-19, the Company has performed over the last two years an annual recoverability analysis by comparing each property's net book value to its estimated operating income based on assumptions and estimates about the property's future

revenues, expenses and capital expenditures after recovery from disruption resulting from COVID-19 and other disruptive events such as renovations or newly opened hotels in the same market. The Company's planned initial hold period for each property is generally 39 years. If events or circumstances change, such as the Company's intended hold period for a property or if the operating performance of a property declines substantially for an extended period of time, the Company's carrying value for a particular property may not be recoverable, and an impairment loss will be recorded. Impairment losses are measured as the difference between the asset's fair value and its carrying value. The Company's ongoing analyses and annual recoverability analyses have not identified any impairment losses other than the losses on impairment of five properties recorded in 2021, one property recorded in 2020 and one property recorded in 2019 totaling approximately $10.8 million, $5.1 million and $6.5 million, respectively, as discussed herein in Note 3, titled "Dispositions" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K.

New Accounting Standards

See Note 1, titled "Organization and Summary of Significant Accounting Policies" of the Consolidated Financial Statements and Notes thereto in Part II, Item 8, in this Annual Report on Form 10-K, for information on the anticipated adoption of recently issued accounting standards.

Subsequent Events

On January 18, 2022, the Company paid approximately $2.3 million, or $0.01 per outstanding common share, in distributions to its common shareholders.

On February 22, 2022, the Company declared a monthly cash distribution of $0.05 per common share for the month of March 2022. The distribution is payable on March 15, 2022, to shareholders of record as of March 4, 2022.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As of December 31, 2021, the Company's financial instruments were not exposed to significant market risk due to foreign currency exchange risk, commodity price risk or equity price risk. However, the Company is exposed to interest rate risk due to possible changes in short term interest rates as it invests its cash or borrows on its revolving credit facility and due to the portion of its variable-rate term debt that is not fixed by interest rate swaps. As of December 31, 2021, after giving effect to interest rate swaps, as described below, approximately $126.0 million, or approximately 9% of the Company's total debt outstanding, was subject to variable interest rates. Based on the Company's variable-rate debt outstanding as of December 31, 2021, every 100 basis points change in interest rates will impact the Company's annual net income by approximately $0.1 million (subject to the LIBOR floor as discussed in Note 4 titled "Debt" in the Company's Consolidated Financial Statements and Notes thereto in Part II, Item 8 in this Annual Report on Form 10-K), all other factors remaining the same. With the exception of interest rate swap transactions, the Company has not engaged in transactions in derivative financial instruments or derivative commodity instruments.

As of December 31, 2021, the Company's variable-rate debt consisted of its credit facilities, including borrowings outstanding under its $425 million revolving credit facility and $820 million of term loans. Currently, the Company uses interest rate swaps to manage its interest rate risk on a portion of its variable-rate debt. As of December 31, 2021, the Company had 13 interest rate swap agreements that effectively fix the interest payments on approximately $770.0 million of the Company's variable-rate debt outstanding with maturity dates ranging from August 2022 to December 2029. Under the terms of all of the Company's interest rate swaps, the Company pays a fixed rate of interest and receives a floating rate of interest equal to the one-month LIBOR. See Note 5 titled "Fair Value of Financial Instruments" in Part II, Item 8, of the Consolidated Financial Statements and Notes thereto, appearing elsewhere in this Annual Report on Form 10-K, for a description of the Company's interest rate swaps as of December 31, 2021.

In addition to its variable-rate debt and interest rate swaps discussed above, the Company has assumed or originated fixed interest rate mortgages payable to lenders under permanent financing arrangements as well as one $50 million fixed-rate senior notes facility. The following table summarizes the annual maturities and average interest rates of the Company's mortgage debt and borrowings outstanding under its credit facilities at December 31, 2021. All dollar amounts are in thousands.

	2022	2023	2024	2025	2026	Thereafter	Total	Fair Market Value
Total debt:								
Maturities	$ 241,831	$ 296,213	$ 338,597	$ 245,140	$ 74,649	$ 247,616	$ 1,444,046	$ 1,409,689
Average interest rates (1)	3.3%	3.4%	3.7%	3.9%	3.8%	3.7%		
Variable-rate debt:								
Maturities	$ 76,000	$ 250,000	$ 310,000	$ 175,000	$ -	$ 85,000	$ 896,000	$ 869,618
Average interest rates (1)	3.0%	3.2%	3.6%	4.1%	4.2%	3.7%		
Fixed-rate debt:								
Maturities	$ 165,831	$ 46,213	$ 28,597	$ 70,140	$ 74,649	$ 162,616	$ 548,046	$ 540,071
Average interest rates	4.0%	3.9%	3.9%	3.8%	3.7%	3.7%		

(1) The average interest rate gives effect to interest rate swaps, as applicable.

Item 8. Financial Statements and Supplementary Data

Report of Management
on Internal Control over Financial Reporting

February 22, 2022
To the Shareholders
Apple Hospitality REIT, Inc.

Management of Apple Hospitality REIT, Inc. (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. As defined by the Securities and Exchange Commission, internal control over financial reporting is a process designed by, or under the supervision of the Company's principal executive, principal financial and principal accounting officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

The Company's internal control over financial reporting is supported by written policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the Company's transactions and dispositions of the Company's assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and the receipts and expenditures of the Company are being made only in accordance with authorizations of the Company's management and directors; 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 consolidated 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 the Company's annual consolidated financial statements, management has undertaken an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Management's assessment included an evaluation of the design of the Company's internal control over financial reporting and testing of the operational effectiveness of those controls.

Based on this assessment, management has concluded that as of December 31, 2021, the Company's internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Ernst & Young LLP, the independent registered public accounting firm that audited the Company's consolidated financial statements included in this report, has issued an attestation report on the Company's internal control over financial reporting, a copy of which appears on the next page of this annual report.

/s/ Justin G. Knight	/s/ Elizabeth S. Perkins	/s/ Rachel S. Labrecque
Justin G. Knight, **Chief Executive Officer** **(Principal Executive Officer)**	**Elizabeth S. Perkins,** **Chief Financial Officer** **(Principal Financial Officer)**	**Rachel S. Labrecque,** **Chief Accounting Officer** **(Principal Accounting Officer)**

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Apple Hospitality REIT, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Apple Hospitality REIT, Inc.'s internal control over financial reporting as of December 31, 2021, 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, Apple Hospitality REIT, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, 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, 2021 and 2020, the related consolidated statements of operations and comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and the financial statement schedule listed in the Index at Item 15(2) and our report dated February 22, 2022 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 Report of Management on 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
Richmond, Virginia
February 22, 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Apple Hospitality REIT, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Apple Hospitality REIT, Inc. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations and comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and the financial statement schedule listed in the Index at Item 15(2) (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, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, 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, 2021, 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 22, 2022 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 accounts or disclosures to which it relates.

Investments in Real Estate – Indicators of impairment

Description of the Matter	As of December 31, 2021, the Company had investments in real estate, net of accumulated depreciation and amortization of $4.7 billion. As more fully described in Notes 1 and 3 to the consolidated financial statements, the Company records impairment losses on hotel properties used in operations if indicators of impairment are present, and the sum of the undiscounted cash flows estimated to be generated by the respective properties over their estimated remaining useful life, based on historical and industry data, is less than the properties' carrying amounts. Many indicators of impairment, such as a change in the intended holding period of the property, are subjective and the Company also prepares an annual recoverability analysis assuming estimated cash flows for each of its properties to assist with its evaluation of impairment indicators. Auditing management's analysis is complex due to the highly judgmental nature of identifying indicators of impairment as well as a change in a property's intended hold period.
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 review for indicators of impairment, including changes in the intended hold period. For example, we tested controls over management's review of the recoverability analysis and significant assumptions described above. Our testing of the Company's indicators of impairment included, among others, testing the recoverability analysis. For example, we tested estimated cash flows by comparing them to historical operating results by property and current industry, market, and economic trends. In addition, we considered the hold period necessary for the property's carrying value to be recovered via undiscounted cash flows. We held discussions with management about the current status of potential transactions and management's judgments to understand the probability of future events that could affect the holding period and other cash flow assumptions for the properties. We searched for and evaluated information that corroborated or contradicted the Company's assumptions.

/s/ Ernst & Young LLP
We have served as the Company's auditor since 2007.
Richmond, Virginia
February 22, 2022

Apple Hospitality REIT , Inc.
Consolidated Balance Sheets
(in thousands, except share data)

	As of December 31,	
	2021	**2020**
Assets		
Investment in real estate, net of accumulated depreciation and amortization of $1,311,262 and $1,235,698, respectively	$ 4,677,185	$ 4,732,896
Assets held for sale	-	5,316
Cash and cash equivalents	3,282	5,556
Restricted cash-furniture, fixtures and other escrows	36,667	28,812
Due from third party managers, net	40,052	22,137
Other assets, net	33,341	35,042
Total Assets	$ 4,790,527	$ 4,829,759
Liabilities		
Debt, net	$ 1,438,758	$ 1,482,571
Finance lease liabilities	111,776	219,981
Accounts payable and other liabilities	92,672	97,860
Total Liabilities	1,643,206	1,800,412
Shareholders' Equity		
Preferred stock, authorized 30,000,000 shares; none issued and outstanding	-	-
Common stock, no par value, authorized 800,000,000 shares; issued and outstanding 228,255,642 and 223,212,346 shares, respectively	4,569,352	4,488,419
Accumulated other comprehensive loss	(15,508)	(42,802)
Distributions greater than net income	(1,406,523)	(1,416,270)
Total Shareholders' Equity	3,147,321	3,029,347
Total Liabilities and Shareholders' Equity	$ 4,790,527	$ 4,829,759

See notes to consolidated financial statements.

Apple Hospitality REIT, Inc.
Consolidated Statements of Operations and Comprehensive Income (Loss)
(in thousands, except per share data)

	Year Ended December 31,		
	2021	**2020**	**2019**
Revenues:			
Room	$ 871,436	$ 560,485	$ 1,167,203
Food and beverage	22,018	16,719	59,815
Other	40,415	24,675	39,579
Total revenue	933,869	601,879	1,266,597
Expenses:			
Hotel operating expense:			
Operating	216,644	156,099	312,449
Hotel administrative	85,066	68,473	103,895
Sales and marketing	79,834	61,003	116,089
Utilities	40,635	33,412	40,598
Repair and maintenance	47,660	37,087	52,695
Franchise fees	40,949	26,387	54,862
Management fees	31,390	19,817	43,828
Total hotel operating expense	542,178	402,278	724,416
Property taxes, insurance and other	71,980	78,238	77,498
General and administrative	41,038	29,374	36,210
Loss on impairment of depreciable real estate assets	10,754	5,097	6,467
Depreciation and amortization	184,471	199,786	193,240
Total expense	850,421	714,773	1,037,831
Gain on sale of real estate	3,596	10,854	5,021
Operating income (loss)	87,044	(102,040)	233,787
Interest and other expense, net	(67,748)	(70,835)	(61,191)
Income (loss) before income taxes	19,296	(172,875)	172,596
Income tax expense	(468)	(332)	(679)
Net income (loss)	$ 18,828	$ (173,207)	$ 171,917
Other comprehensive income (loss):			
Interest rate derivatives	27,294	(38,104)	(14,704)
Comprehensive income (loss)	$ 46,122	$ (211,311)	$ 157,213
Basic and diluted net income (loss) per common share	$ 0.08	$ (0.77)	$ 0.77
Weighted average common shares outstanding - basic and diluted	226,361	223,544	223,910

See notes to consolidated financial statements.

Apple Hospitality REIT, Inc.
Consolidated Statements of Shareholders' Equity
(in thousands, except per share data)

	Common Stock		Accumulated Other	Distributions	
	Number of Shares	Amount	Comprehensive Income (Loss)	Greater Than Net Income	Total
Balance at December 31, 2018	223,997	$ 4,495,073	$ 10,006	$ (1,096,069)	$ 3,409,010
Cumulative effect of the adoption of ASU 2016-02 related to leases	-	-	-	(5,201)	(5,201)
Share based compensation, net	156	3,025	-	-	3,025
Common shares repurchased	(290)	(4,335)	-	-	(4,335)
Interest rate derivatives	-	-	(14,704)	-	(14,704)
Net income	-	-	-	171,917	171,917
Distributions declared to shareholders ($1.20 per share)	-	-	-	(268,699)	(268,699)
Balance at December 31, 2019	223,863	4,493,763	(4,698)	(1,198,052)	3,291,013
Share based compensation, net	870	9,368	-	-	9,368
Equity issuance costs	-	(376)	-	-	(376)
Common shares repurchased	(1,521)	(14,336)	-	-	(14,336)
Interest rate derivatives	-	-	(38,104)	-	(38,104)
Net loss	-	-	-	(173,207)	(173,207)
Distributions declared to shareholders ($0.20 per share)	-	-	-	(45,011)	(45,011)
Balance at December 31, 2020	223,212	4,488,419	(42,802)	(1,416,270)	3,029,347
Share based compensation, net	367	5,933	-	-	5,933
Issuance of common shares, net	4,677	75,000	-	-	75,000
Interest rate derivatives	-	-	27,294	-	27,294
Net income	-	-	-	18,828	18,828
Distributions declared to shareholders ($0.04 per share)	-	-	-	(9,081)	(9,081)
Balance at December 31, 2021	228,256	$ 4,569,352	$ (15,508)	$ (1,406,523)	$ 3,147,321

See notes to consolidated financial statements.

Apple Hospitality REIT, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Years Ended December, 31		
	2021	**2020**	**2019**
Cash flows from operating activities:			
Net income (loss)	$ 18,828	$ (173,207)	$ 171,917
Adjustments to reconcile net income (loss) to cash provided by operating activities:			
Depreciation and amortization	184,471	199,786	193,240
Loss on impairment of depreciable real estate assets	10,754	5,097	6,467
Gain on sale of real estate	(3,596)	(10,854)	(5,021)
Other non-cash expenses, net	10,284	8,859	4,520
Changes in operating assets and liabilities:			
Decrease (increase) in due from third party managers, net	(18,113)	4,795	2,221
Decrease (increase) in other assets, net	846	(580)	(821)
Increase (decrease) in accounts payable and other liabilities	14,088	(7,168)	9,151
Net cash provided by operating activities	217,562	26,728	381,674
Cash flows from investing activities:			
Acquisition of hotel properties, net	(362,486)	(88,677)	(59,424)
Refunds (payments) for potential acquisitions, net	(893)	476	(1,229)
Capital improvements	(18,312)	(48,559)	(74,896)
Net proceeds from sale of real estate	231,008	54,499	121,225
Net cash used in investing activities	(150,683)	(82,261)	(14,324)
Cash flows from financing activities:			
Net proceeds (disbursements) related to issuance of common shares	75,000	(377)	-
Repurchases of common shares	-	(14,336)	(4,335)
Repurchases of common shares to satisfy employee withholding requirements	(3,345)	(2,532)	(577)
Distributions paid to common shareholders	(6,797)	(67,378)	(268,672)
Net proceeds from (payments on) revolving credit facility	(29,800)	54,900	(217,900)
Proceeds from term loans and senior notes	-	50,000	160,000
Proceeds from mortgage debt and other loans	-	81,520	-
Payments of mortgage debt and other loans	(70,724)	(44,268)	(33,806)
Payments of finance lease settlement	(24,045)	-	-
Financing costs	(1,587)	(2,289)	(1,031)
Net cash provided by (used in) financing activities	(61,298)	55,240	(366,321)
Net change in cash, cash equivalents and restricted cash	5,581	(293)	1,029
Cash, cash equivalents and restricted cash, beginning of period	34,368	34,661	33,632
Cash, cash equivalents and restricted cash, end of period	$ 39,949	$ 34,368	$ 34,661
Supplemental cash flow information:			
Interest paid	$ 63,149	$ 63,531	$ 59,877
Income taxes paid	$ 637	$ 980	$ 790
Supplemental disclosure of noncash investing and financing activities:			
Notes payable originated from acquisitions	$ 56,000	$ 20,551	$ -
Accrued distribution to common shareholders	$ 2,281	$ -	$ 22,386
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents, beginning of period	$ 5,556	$ -	$ -
Restricted cash-furniture, fixtures and other escrows, beginning of period	28,812	34,661	33,632
Cash, cash equivalents and restricted cash, beginning of period	$ 34,368	$ 34,661	$ 33,632
Cash and cash equivalents, end of period	$ 3,282	$ 5,556	$ -
Restricted cash-furniture, fixtures and other escrows, end of period	36,667	28,812	34,661
Cash, cash equivalents and restricted cash, end of period	$ 39,949	$ 34,368	$ 34,661

See notes to consolidated financial statements.

Note 1

Organization and Summary of Significant Accounting Policies

Organization

Apple Hospitality REIT, Inc., formed in November 2007 as a Virginia corporation, together with its wholly-owned subsidiaries (the "Company"), is a self-advised real estate investment trust ("REIT") that invests in income-producing real estate, primarily in the lodging sector, in the United States ("U.S."). The Company's fiscal year end is December 31. The Company has no foreign operations or assets and its operating structure includes only one reportable segment. The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated. Although the Company has interests in potential variable interest entities through its purchase commitments, it is not the primary beneficiary as the Company does not have any elements of power in the decision making process of these entities, and therefore does not consolidate the entities. As of December 31, 2021, the Company owned 219 hotels with an aggregate of 28,747 rooms located in 36 states. All information related to the number of rooms included in these notes to the consolidated financial statements and Schedule III - Real Estate and Accumulated Depreciation and Amortization listed in the Index at Item 15 has not been audited. The Company's common shares are listed on the New York Stock Exchange ("NYSE") under the ticker symbol "APLE."

The Company has elected to be treated as a REIT for federal income tax purposes. The Company has a wholly-owned taxable REIT subsidiary (or subsidiaries thereof) (collectively, the "Lessee"), which leases all of the Company's hotels.

Coronavirus COVID-19 Pandemic

As a result of the current coronavirus COVID-19 pandemic ("COVID-19") and the impact it has had on travel and the broader economy throughout the U.S. since March 2020, the Company's hotels have experienced significant declines in occupancy, which have had and are expected to continue to have a significant negative effect on the Company's revenue and operating results. While occupancy has recovered significantly during 2021, there remains significant uncertainty as to when operations at the hotels will return to pre-pandemic levels.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less. The fair market value of cash and cash equivalents approximates their carrying value. Cash balances may at times exceed federal depository insurance limits.

Restricted Cash

Restricted cash includes reserves for debt service, real estate taxes, and insurance, and reserves for furniture, fixtures, and equipment replacements of up to 5% of property revenue for certain hotels, as required by certain management or mortgage debt agreement restrictions and provisions. The fair market value of restricted cash approximates its carrying value.

Investment in Real Estate and Related Depreciation and Amortization

Real estate is stated at cost, net of depreciation and amortization. Repair and maintenance costs are expensed as incurred while significant improvements, renovations, and replacements are capitalized. As further discussed in Note 10, finance ground lease assets are capitalized at the estimated present value of the remaining minimum lease payments under the leases. Depreciation and amortization are computed using the straight-line method over the average estimated useful lives of the assets, which are generally 39 years for buildings, the remaining life of the lease for finance ground leases (which in some instances may include renewal options), 10 to 20 years for franchise fees, 10 years for major improvements and three to seven years for furniture and equipment.

The Company considers expenditures to be capital in nature based on the following criteria: (1) for a single asset, the cost must be at least $500, including all normal and necessary costs to place the asset in service, and the useful life must be at least one year; (2) for group purchases of 10 or more identical assets, the unit cost for each asset must be at least $50, including all normal and necessary costs to place the asset in service, and the useful life must be at least one year; and (3) for major repairs to a single asset, the repair must be at least $2,500 and the useful life of the asset must be substantially extended.

Upon acquisition of real estate properties, the Company estimates the fair value of acquired tangible assets (consisting of land, buildings and improvements, and furniture, fixtures and equipment) and identified intangible assets and liabilities, including in-place leases, and assumed debt based on the evaluation of information and estimates available at that date. Fair values for these assets are not directly observable and estimates are based on comparables and other information which is subjective in nature. The Company has not assigned any value to management contracts and franchise agreements as such contracts are generally at current market rates based on the remaining terms of the contracts and any other value attributable to these contracts is not considered material. Acquisitions of hotel properties are generally accounted for as acquisitions of a group of assets, with costs incurred to effect an acquisition, including title, legal, accounting, brokerage commissions and other related costs, being capitalized as part of the cost of the assets acquired, instead of accounted for separately as expenses in the period that they are incurred.

The Company records impairment losses on hotel properties used in operations if indicators of impairment are present, and the sum of the undiscounted cash flows estimated to be generated by the respective properties over their estimated remaining useful life, based on historical and industry data, is less than the properties' carrying amount. Indicators of impairment include a property with current or potential losses from operations, when it becomes more likely than not that a property will be sold before the end of its previously estimated useful life or when events, trends, contingencies or changes in circumstances indicate that a triggering event has occurred and an asset's carrying value may not be recoverable. The Company monitors its properties on an ongoing basis by analytically reviewing financial performance and considers each property individually for purposes of reviewing for indicators of impairment. As many indicators of impairment are subjective, such as general economic and market declines, the Company also prepares an annual recoverability analysis for each of its properties to assist with its evaluation of impairment indicators. Given the disruption in 2020 and 2021 caused by COVID-19, the Company has performed over the last two years an annual recoverability analysis by comparing each property's net book value to its estimated operating income based on assumptions and estimates about the property's future revenues, expenses and capital expenditures after recovery from disruption resulting from COVID-19 and other disruptive events such as renovations or newly opened hotels in the same market. The Company's planned initial hold period for each property is generally 39 years. If events or circumstances change, such as the Company's intended hold period for a property or if the operating performance of a property declines substantially for an extended period of time, the Company's carrying value for a particular property may not be recoverable, and an impairment loss will be recorded. Impairment losses are measured as the difference between the asset's fair value and its carrying value. The Company's ongoing analyses and annual recoverability analyses have not identified any impairment losses other than the losses on impairment of five properties recorded in 2021, one property recorded in 2020 and one property recorded in 2019 totaling approximately $10.8 million, $5.1 million and $6.5 million, respectively, as discussed in Note 3.

Assets Held for Sale

The Company classifies assets as held for sale when a binding agreement to sell the property has been signed under which the buyer has committed a significant amount of nonrefundable cash, no significant contingencies exist which could prevent the transaction from being completed in a timely manner, and the sale is expected to close within one year. If these criteria are met, the Company will cease recording depreciation and amortization and will record an impairment charge if the fair value less costs to sell is less than the carrying amount of the disposal group. The Company will generally classify the impairment charge, together with the related operating results, as continuing operations in the Company's consolidated statements of operations and classify the assets and related liabilities as held for sale in the Company's consolidated balance sheets. If the Company's plan of sale changes and the Company subsequently decides not to sell a property that is classified as held for sale, the property will be reclassified as held and used in the period the change occurs. As of December 31, 2021, the Company did not have any assets classified as held for sale. As of December 31, 2020, the Company had one hotel classified as held for sale, which was sold to an unrelated party in February 2021, discussed further in Note 3.

Revenue Recognition

Revenues consist of amounts derived from hotel operations, including room sales, food and beverage sales, and other hotel revenues, and are presented on a disaggregated basis in the Company's consolidated statements of operations. The Company recognizes hotel operating revenue when guest rooms are occupied, services have been provided or fees have been earned. Revenues are recorded net of any sales, occupancy or other taxes collected from customers on behalf of third parties. Room revenue is recognized when the Company's hotels satisfy their performance obligation of providing a hotel room. The hotel reservation defines the terms of the agreement including an agreed-upon rate and length of stay. Food and beverage revenue is recognized at the time the food or beverage is purchased by and provided to the customer. Other operating revenue is recognized at the time when the goods or services are provided to the customer or when the performance obligation is satisfied. Payment is due at the time that goods or services are rendered or billed. For room revenue, payment is typically due

and paid in full at the end of the stay with some customers prepaying for their rooms prior to the stay. Payments received from a customer prior to arrival are recorded as an advance deposit and are recognized as revenue at the time of occupancy.

Comprehensive Income (Loss)

Comprehensive income (loss) includes net income (loss) and other comprehensive income (loss), which is comprised of unrealized gains or losses resulting from hedging activity.

Net Income (Loss) Per Common Share

Basic net income (loss) per common share is computed based upon the weighted average number of shares outstanding during the year. Diluted net income (loss) per common share is calculated after giving effect to all potential common shares that were dilutive and outstanding for the year. Basic and dilutive net income (loss) per common share were the same for each of the years presented.

Reclassifications

Certain prior period amounts in the consolidated financial statements have been reclassified to conform to the current period presentation with no effect on previously reported net income or shareholders' equity.

Income Taxes

The Company is operated as, and has elected to be taxed as, a REIT under Sections 856 to 860 of the Internal Revenue Code of 1986, as amended (the "Code"). Earnings and profits, which will determine the taxability of distributions to shareholders, will differ from income reported for financial reporting purposes primarily due to the differences for federal income tax purposes in the carrying value (basis) of the investment in properties and estimated useful lives used to compute depreciation, straight-line operating ground lease expense, amortization of favorable and unfavorable leases, amortization and interest expense versus lease payments related to finance ground leases, loss on impairment of depreciable real estate assets and gain (loss) on sale of real estate assets. The characterization of 2021 declared distributions of $0.04 per share for tax purposes was 100% ordinary income, 2020 paid distributions of $0.30 per share for tax purposes was 100% return of capital and 2019 paid distributions of $1.20 per share for tax purposes was 78% ordinary income and 22% return of capital. The Company utilized a portion of its net loss carryforward to reduce its taxable net income for the year ended December 31, 2021. The total net loss carryforward for federal income tax purposes was approximately $35.8 million as of December 31, 2021, and $67.0 million as of December 31, 2020, and will not expire but is subject to limitations as imposed by the Code for REITs. No provision for U.S. Federal income taxes has been included in the Company's financial statements for the years ended December 31, 2021 and 2020 related to its REIT activities.

The Lessee, as a taxable REIT subsidiary of the Company, is subject to federal and state income taxes. Due to historical cumulative operating losses, the taxable REIT subsidiary did not incur federal income tax for the three years ended December 31, 2021 and recorded a valuation allowance against the entire deferred asset for all periods presented. The total net operating loss carry forward for federal income tax purposes was approximately $95 million as of December 31, 2021, $140 million as of December 31, 2020 and $101 million as of December 31, 2019. The net operating losses expire beginning in 2028. There are no material differences between the book and tax cost basis of the Company's assets and liabilities, except for the carrying value (basis) of the investment in properties. The Company's income tax expense as shown in the consolidated statements of operations primarily includes franchise and income taxes at the state jurisdiction level, which do not have any associated material deferred taxes.

The Company has 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, for the exchange of like-kind property to defer taxable gains on the sale of real estate properties ("1031 Exchange").

As of December 31, 2021, the tax years that remain subject to examination by major tax jurisdictions generally include 2018-2021.

Sales and Marketing Costs

Sales and marketing costs are expensed when incurred. These costs represent the expense for franchise advertising and reservation systems under the terms of the hotel management and franchise agreements and general and administrative expenses that are directly attributable to advertising and promotion.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Accounting Standards Recently Adopted

Reference Rate Reform

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-04, *Reference Rate Reform (Topic 848)*, which provides optional guidance through December 31, 2022 to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on financial reporting. In January 2021, the FASB issued 2021-01, *Reference Rate Reform (Topic 848), Scope,* which further clarified the scope of the reference rate reform optional practical expedients and exceptions outlined in Topic 848. The amendments in ASU Nos. 2020-04 and 2021-01 apply to contract modifications that replace a reference rate affected by reference rate reform, providing optional expedients regarding the measurement of hedge effectiveness in hedging relationships that have been modified to replace a reference rate. The guidance in ASU Nos. 2020-04 and 2021-01 became effective upon issuance and the provisions of the ASUs have not had a material impact on the Company's consolidated financial statements and related disclosures as of December 31, 2021. The provisions of these updates will generally affect the Company by allowing, among other things, the following:

- Modifications of the Company's unsecured credit facilities (as defined below) to replace the London Interbank Offered Rate ("LIBOR") with a substitute index to be accounted for as a non-substantial modification and not be considered a debt extinguishment.
- Changes to the floating interest rate index used in the Company's interest rate swaps to not be considered a change to the critical terms of the hedge and therefore not requiring a dedesignation of the hedging relationship.

The Company's unsecured credit facilities and interest rate swap agreements have provisions in place regarding the selection of replacement reference rates upon the discontinuance of LIBOR, but the Company anticipates that it may enter into amendments to clarify the replacement reference rate in the future.

Accounting Standards Recently Issued

In May 2021, the FASB issued ASU No. 2021-04, *Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options (Topics 260, 470, 718 and 815)*, which provides updated guidance to clarify and reduce diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options that remain equity classified after modification or exchange. The provisions of this update are effective for annual and interim periods beginning after December 15, 2021. The adoption of this update is not expected to have a material impact on the Company's consolidated financial statements.

In November 2021, the FASB issued ASU 2021-10, *Government Assistance (Topic 832)* to increase the transparency of government assistance disclosures including the disclosure of (1) the types of assistance, (2) an entity's accounting for the assistance, and (3) the effect of the assistance on an entity's financial statements. The provisions of this update are effective for annual and interim periods beginning after December 15, 2021. The Company is currently evaluating the impact this standard will have on its consolidated financial statements and related disclosures.

Note 2

Investment in Real Estate

The Company's investment in real estate consisted of the following (in thousands):

	December 31, 2021	December 31, 2020
Land	$ 794,899	$ 725,512
Building and Improvements	4,584,829	4,525,850
Furniture, Fixtures and Equipment	488,773	499,865
Finance Ground Lease Assets	102,084	203,617
Franchise Fees	17,862	13,750
	5,988,447	5,968,594
Less Accumulated Depreciation and Amortization	(1,311,262)	(1,235,698)
Investment in Real Estate, net	$ 4,677,185	$ 4,732,896

As of December 31, 2021, the Company owned 219 hotels with an aggregate of 28,747 rooms located in 36 states.

The Company leases all of its hotels to its wholly-owned taxable REIT subsidiary (or a subsidiary thereof) under master hotel lease agreements.

2021 and 2020 Acquisitions

During 2021 the Company acquired eight hotels. The following table sets forth the location, brand, manager, date acquired, number of rooms and gross purchase price, excluding transaction costs, for each hotel. All dollar amounts are in thousands.

City	State	Brand	Manager	Date Acquired	Rooms	Gross Purchase Price
Madison	WI	Hilton Garden Inn	Raymond	2/18/2021	176	$ 49,599
Portland	ME	AC Hotels	Crestline	8/20/2021	178	66,750
Greenville	SC	Hyatt Place	Crestline	9/1/2021	130	30,000
Portland	ME	Aloft	Crestline	9/10/2021	157	51,150
Memphis	TN	Hilton Garden Inn	Crestline	10/28/2021	150	38,000
Fort Worth	TX	Hilton Garden Inn	Raymond	11/17/2021	157	29,500
Fort Worth	TX	Homewood Suites	Raymond	11/17/2021	112	21,500
Portland	OR	Hampton	Raymond	11/17/2021	243	75,000
					1,303	$ 361,499

During 2020, the Company acquired four hotels. The following table sets forth the location, brand, manager, date acquired, number of rooms and gross purchase price, excluding transaction costs, for each hotel. All dollar amounts are in thousands.

City	State	Brand	Manager	Date Acquired	Rooms	Gross Purchase Price
Cape Canaveral	FL	Hampton	LBA	4/30/2020	116	$ 24,102
Cape Canaveral	FL	Home2 Suites	LBA	4/30/2020	108	22,602
Tempe	AZ	Hyatt House	Crestline	8/13/2020	105	26,309
Tempe	AZ	Hyatt Place	Crestline	8/13/2020	154	38,279
					483	$ 111,292

The Company funded the purchase of the Cape Canaveral, Florida hotels by utilizing $25.0 million of its available cash and entering into a one-year note payable with the developer secured by the hotels for $21.7 million. The note payable bore interest, which was payable monthly, at a floating annual rate equal to the London Inter-Bank Offered Rate for a one-month term ("one-month LIBOR") plus a margin of 2.0% for the first six months of the loan term and 3.0% for the second six

months of the loan term. In July 2020, the principal amount of the note was reduced by approximately $1.1 million representing a credit from the developer for shared construction savings, and the note was repaid in full on April 12, 2021. The Company used borrowings under its revolving credit facility to purchase the Tempe, Arizona hotels in 2020 and the Madison, Wisconsin and Memphis, Tennessee hotels in 2021. The Company used available cash to purchase the Portland, Maine and Greenville, South Carolina hotels in 2021. The Company used a mix of available cash and borrowings under its revolving credit facility to purchase the Fort Worth, Texas and Portland, Oregon hotels in 2021. The acquisitions of these hotel properties were accounted for as acquisitions of asset groups, whereby costs incurred to effect the acquisitions (which were not significant) were capitalized as part of the cost of the assets acquired. For the eight hotels acquired during 2021, the amount of revenue and operating income included in the Company's consolidated statement of operations from the date of acquisition through December 31, 2021 was approximately $16.0 million and $2.1 million, respectively. For the four hotels acquired during 2020, the amount of revenue and operating loss included in the Company's consolidated statement of operations from the date of acquisition through December 31, 2020 was approximately $3.5 million and $(1.5) million, respectively.

Seattle Land Acquisition

On August 16, 2021, the Company purchased the fee interest in the land at the Seattle, Washington Residence Inn, previously held under a finance ground lease. The Company utilized $24.0 million of its available cash and entered into a one-year note payable to the seller for $56.0 million to fund the purchase price of $80.0 million. The note payable bears interest, which is payable monthly, at a fixed annual rate of 4.0%. The land purchase was accounted for as a retirement of the finance lease, with the difference of $16.6 million between the carrying amount of the net right-of-use asset of $94.5 million and the finance lease liability of $111.1 million applied as an adjustment to the carrying amount of the acquired land.

Note 3

Dispositions

2021 Dispositions

During the year ended December 31, 2021, the Company sold 23 hotels in four separate transactions with unrelated parties for a total combined gross sales price of approximately $234.6 million, resulting in a combined net gain on sale, after giving effect to impairment charges of approximately $3.6 million, net of transaction costs, which is included in the Company's consolidated statement of operations for the year ended December 31, 2021. The 23 hotels had a total carrying value of approximately $227.2 million at the time of the sale. The following table lists the 23 hotels sold:

City	State	Brand	Date Sold	Rooms
Charlotte	NC	Homewood Suites	2/25/2021	118
Memphis	TN	Homewood Suites	3/16/2021	140
Overland Park	KS	SpringHill Suites	4/30/2021	102
Montgomery	AL	Hilton Garden Inn	7/22/2021	97
Montgomery	AL	Homewood Suites	7/22/2021	91
Rogers	AR	Residence Inn	7/22/2021	88
Phoenix	AZ	Courtyard	7/22/2021	127
Lakeland	FL	Courtyard	7/22/2021	78
Albany	GA	Fairfield	7/22/2021	87
Schaumburg	IL	Hilton Garden Inn	7/22/2021	166
Andover	MA	SpringHill Suites	7/22/2021	136
Fayetteville	NC	Residence Inn	7/22/2021	92
Greenville	SC	Residence Inn	7/22/2021	78
Jackson	TN	Hampton	7/22/2021	85
Johnson City	TN	Courtyard	7/22/2021	90
Allen	TX	Hampton	7/22/2021	103
Allen	TX	Hilton Garden Inn	7/22/2021	150
Beaumont	TX	Residence Inn	7/22/2021	133
Burleson/Fort Worth	TX	Hampton	7/22/2021	88
El Paso	TX	Hilton Garden Inn	7/22/2021	145
Irving	TX	Homewood Suites	7/22/2021	77
Richmond	VA	SpringHill Suites	7/22/2021	103
Vancouver	WA	SpringHill Suites	7/22/2021	119
Total				2,493

A portion of the proceeds from the sale of 20 hotels on July 22, 2021 were used to complete a 1031 Exchange, which resulted in the deferral of taxable gains of approximately $23.6 million. The properties acquired for the 1031 Exchange were the fee interest in the land at the Seattle, Washington Residence Inn and the AC Hotel in Portland, Maine previously discussed in Note 2 titled “Investment in Real Estate.”

2020 Dispositions

During the year ended December 31, 2020, the Company sold three hotels in three transactions with unrelated parties for a total combined gross sales price of approximately $55.3 million, resulting in a combined gain on sale of approximately $10.9 million, which is included in the Company’s consolidated statement of operations for the year ended December 31, 2020. The three hotels had a total carrying value of approximately $43.8 million at the time of the sale. The following table lists the three hotels sold:

City	State	Brand	Date Sold	Rooms
Sanford	FL	SpringHill Suites	1/16/2020	105
Boise	ID	SpringHill Suites	2/27/2020	230
Tulare	CA	Hampton	12/30/2020	86
Total				421

2019 Dispositions

During the year ended December 31, 2019, the Company sold 11 hotels in three transactions with unrelated parties for a total combined gross sales price of approximately $121.7 million, resulting in a combined gain on sale of approximately $5.6 million, which is included in the Company's consolidated statement of operations for the year ended December 31, 2019. The 11 hotels had a total carrying value of approximately $115.1 million at the time of the sale. The following table lists the 11 hotels sold:

City	State	Brand	Date Sold	Rooms
Sarasota	FL	Homewood Suites	3/28/2019	100
Tampa	FL	TownePlace Suites	3/28/2019	94
Baton Rouge	LA	SpringHill Suites	3/28/2019	119
Holly Springs	NC	Hampton	3/28/2019	124
Duncanville	TX	Hilton Garden Inn	3/28/2019	142
Texarkana	TX	Courtyard	3/28/2019	90
Texarkana	TX	TownePlace Suites	3/28/2019	85
Bristol	VA	Courtyard	3/28/2019	175
Harrisonburg	VA	Courtyard	3/28/2019	125
Winston-Salem	NC	Courtyard	12/19/2019	122
Fort Lauderdale	FL	Hampton	12/30/2019	109
Total				1,285

Excluding gains on sale of real estate, the Company's consolidated statements of operations include operating income (loss) of approximately $(6.6) million, $(7.9) million and $15.6 million for the years ended December 31, 2021, 2020 and 2019, respectively, relating to the results of operations of the 37 hotels noted above (the 23 hotels sold in 2021, the three hotels sold in 2020, and the 11 hotels sold in 2019) for the period of ownership. The sale of these properties does not represent a strategic shift that has, or will have, a major effect on the Company's operations and financial results, and therefore the operating results for the period of ownership of these properties are included in income from continuing operations for the three years ended December 31, 2021, as applicable. The net proceeds from the sales were used to pay down borrowings under the Company's revolving credit facility and general corporate purposes, including acquisitions of hotel properties.

Loss on Impairment of Depreciable Real Estate Assets

During the years ended December 31, 2021, 2020 and 2019, the Company recorded impairment losses totaling approximately $10.8 million, $5.1 million and $6.5 million.

During the first quarter of 2021, the Company identified 20 hotels for potential sale and, in April 2021, entered into a purchase contract with an unrelated party for the sale of the hotels for a gross sales price of $211.0 million. As a result, the Company recognized impairment losses totaling approximately $9.4 million in the first quarter of 2021, to adjust the carrying values of four of these hotels to their estimated fair values. The fair values of these properties were based on broker opinions of value using multiple methods to determine their value, including but not limited to replacement value, discounted cash flows and the income approach based on historical and forecasted operating results of the specific properties. These valuations are Level 3 inputs under the fair value hierarchy. The Company completed the sale of the hotels in July 2021.

Additionally, during the first quarter of 2021, the Company identified the Overland Park, Kansas SpringHill Suites for potential sale and, in February 2021, entered into a purchase contract with an unrelated party for the sale of the hotel for a gross sales price of $5.3 million. As a result, the Company recognized an impairment loss totaling approximately $1.3 million in the first quarter of 2021, to adjust the carrying value of the hotel to its estimated fair value less cost to sell, which was based on the contracted sales price, a Level 1 input under the fair value hierarchy. The Company completed the sale of the hotel in April 2021.

In 2020, the Company entered into two purchase contracts with unrelated parties for the sale of its 140-room Memphis, Tennessee Homewood Suites, the first of which was terminated October 2020 and the second of which was signed in November 2020. As a result, the Company recognized impairment losses totaling approximately $5.1 million in 2020, representing the difference between the carrying values of the hotel and the contracted sales prices, net of estimated selling costs, which are Level 1 inputs under the fair value hierarchy. The Company completed the sale of the hotel in March 2021.

During the third quarter of 2019, the Company identified the Winston-Salem, North Carolina Courtyard for potential sale and, in August 2019, entered into a purchase contract with an unrelated party (which was subsequently amended) for the sale of the hotel for a gross sales price of approximately $6.7 million. As a result, the Company recognized an impairment loss of approximately $6.5 million in the third quarter of 2019, to adjust the carrying value of the hotel to its estimated fair value less costs to sell, which was based on the contracted sales price, a Level 1 input under the fair value hierarchy. The Company completed the sale of the hotel in December 2019.

Note 4

Debt

Summary

As of December 31, 2021 and 2020, the Company's debt consisted of the following (in thousands):

	December 31, 2021	December 31, 2020
Revolving credit facility	$ 76,000	$ 105,800
Term loans and senior notes, net	865,189	864,225
Mortgage debt, net	497,569	512,546
Debt, net	$ 1,438,758	$ 1,482,571

The aggregate amounts of principal payable under the Company's total debt obligations as of December 31, 2021 (including the revolving credit facility, term loans and mortgage debt), for the five years subsequent to December 31, 2021 and thereafter are as follows (in thousands):

2022	$ 241,831
2023	296,213
2024	338,597
2025	245,140
2026	74,649
Thereafter	247,616
	1,444,046
Unamortized fair value adjustment of assumed debt	1,010
Unamortized debt issuance costs	(6,298)
Total	$ 1,438,758

The Company uses interest rate swaps to manage its interest rate risks on a portion of its variable-rate debt. Throughout the terms of these interest rate swaps, the Company pays a fixed rate of interest and receives a floating rate of interest equal to the London Inter-Bank Offered Rate for a one-month term ("one-month LIBOR"). The swaps are designed to effectively fix the interest payments on variable-rate debt instruments. See Note 5 for more information on the interest rate swap agreements. The Company's total fixed-rate and variable-rate debt, after giving effect to its interest rate swaps in effect at December 31, 2021 and 2020, is set forth below. All dollar amounts are in thousands.

	December 31, 2021	Percentage	December 31, 2020	Percentage
Fixed-rate debt (1)	$ 1,318,046	91%	$ 1,287,219	86%
Variable-rate debt	126,000	9%	201,351	14%
Total	$ 1,444,046		$ 1,488,570	
Weighted-average interest rate of debt	3.38%		3.86%	

(1)

Fixed-rate debt includes the portion of variable-rate debt where the interest payments have been effectively fixed by interest rate swaps as of the respective balance sheet date. See Note 5 for more information on the interest rate swap agreements.

Credit Facilities

$850 Million Credit Facility

The Company utilizes an unsecured "$850 million credit facility" comprised of (i) a $425 million revolving credit facility with an initial maturity date of July 27, 2022 (the "Revolving Credit Facility") and (ii) a $425 million term loan facility consisting of two term loans: a $200 million term loan with a maturity date of July 27, 2023, and a $225 million term loan with a maturity date of January 31, 2024, both funded in July 2018 (the "$425 million term loan facility"). Subject to certain conditions including covenant compliance and additional fees, the $425 million revolving credit facility maturity date may be extended up to one year if certain criteria are met at the time of extension. The Company may make voluntary prepayments in whole or in part, at any time. Interest payments on the $850 million credit facility are due monthly and the interest rate, subject to certain exceptions, is equal to an annual rate of the one-month LIBOR plus a margin ranging from 1.35% to 2.25%, depending upon the Company's leverage ratio, as calculated under the terms of the credit agreement. As of December 31, 2021, the Company had availability of $349.0 million under the revolving credit facility. The Company is also required to pay quarterly an unused facility fee at an annual rate of 0.20% or 0.25% on the unused portion of the $425 million revolving credit facility, based on the amount of borrowings outstanding during the quarter.

$225 Million Term Loan Facility

The Company also has an unsecured $225 million term loan facility that is comprised of (i) a $50 million term loan with a maturity date of August 2, 2023, which was funded on August 2, 2018, and (ii) a $175 million term loan with a maturity date of August 2, 2025, of which $100 million was funded on August 2, 2018 and the remaining $75 million was funded on January 29, 2019. The credit agreement contains requirements and covenants similar to the Company's $850 million credit facility. The Company may make voluntary prepayments in whole or in part, at any time, subject to certain conditions. Interest payments on the $225 million term loan facility are due monthly and the interest rate, subject to certain exceptions, is equal to an annual rate of the one-month LIBOR plus a margin ranging from 1.35% to 2.50%, depending upon the Company's leverage ratio, as calculated under the terms of the credit agreement.

2017 $85 Million Term Loan Facility

On July 25, 2017, the Company entered into an unsecured $85 million term loan facility with a maturity date of July 25, 2024, consisting of one term loan that was funded at closing (the "2017 $85 million term loan facility"). The credit agreement, as amended and restated in August 2018, contains requirements and covenants similar to the Company's $850 million credit facility. The Company may make voluntary prepayments in whole or in part, at any time, subject to certain conditions. Interest payments on the 2017 $85 million term loan facility are due monthly, and the interest rate, subject to certain exceptions, is equal to an annual rate of the one-month LIBOR plus a margin ranging from 1.30% to 2.10%, depending upon the Company's leverage ratio, as calculated under the terms of the credit agreement, for the remainder of the term.

2019 $85 Million Term Loan Facility

On December 31, 2019, the Company entered into an unsecured $85 million term loan facility with a maturity date of December 31, 2029, consisting of one term loan funded at closing (the "2019 $85 million term loan facility"). Net proceeds from the 2019 $85 million term loan facility were used to pay down borrowings under the Company's revolving credit facility. The credit agreement contains requirements and covenants similar to the Company's $850 million credit facility. The Company may make voluntary prepayments in whole or in part, subject to certain conditions. Interest payments on the 2019 $85 million term loan facility are due monthly and the interest rate, subject to certain exceptions, is equal to an annual rate of the one-month LIBOR plus a margin ranging from 1.70% to 2.55%, depending upon the Company's leverage ratio, as calculated under the terms of the credit agreement.

$50 Million Senior Notes Facility

On March 16, 2020, the Company entered into an unsecured $50 million senior notes facility with a maturity date of March 31, 2030, consisting of senior notes totaling $50 million funded at closing (the "$50 million senior notes facility" and, collectively with the $850 million credit facility, the $225 million term loan facility, the 2017 $85 million term loan facility and the 2019 $85 million term loan facility, the "unsecured credit facilities"). Net proceeds from the $50 million senior notes facility were available to provide funding for general corporate purposes. The note agreement contains requirements and covenants similar to the Company's $850 million credit facility. The Company may make voluntary prepayments in whole or in part, at any time, subject to certain conditions, including make-whole provisions. Interest payments on the $50 million senior notes facility are due quarterly and the interest rate, subject to certain exceptions, ranges from an annual rate of 3.60% to 4.35% depending on the Company's leverage ratio, as calculated under the terms of the facility.

As of December 31, 2021 and 2020, the details of the Company's credit facilities were as set forth below. All dollar amounts are in thousands.

	Interest Rate [1]	Maturity Date	Outstanding Balance December 31, 2021	Outstanding Balance December 31, 2020
Revolving credit facility [2]	LIBOR + 1.40% - 2.25%	7/27/2022 [4]	$ 76,000	$ 105,800
Term loans and senior notes				
$200 million term loan	LIBOR + 1.35% - 2.20%	7/27/2023	200,000	200,000
$225 million term loan	LIBOR + 1.35% - 2.20%	1/31/2024	225,000	225,000
$50 million term loan	LIBOR + 1.35% - 2.20%	8/2/2023	50,000	50,000
$175 million term loan	LIBOR + 1.65% - 2.50%	8/2/2025	175,000	175,000
2017 $85 million term loan	LIBOR + 1.30% - 2.10%	7/25/2024	85,000	85,000
2019 $85 million term loan	LIBOR + 1.70% - 2.55%	12/31/2029	85,000	85,000
$50 million senior notes	3.60% - 4.35%	3/31/2030	50,000	50,000
Term loans and senior notes at stated value			870,000	870,000
Unamortized debt issuance costs			(4,811)	(5,775)
Term loans and senior notes, net			865,189	864,225
Credit facilities, net [2]			$ 941,189	$ 970,025
Weighted-average interest rate [3]			2.97%	3.64%

(1) Interest rates on all of the unsecured credit facilities increased to 0.15% above the highest rate shown for each loan during the Extended Covenant Waiver Period (defined below) from March 1, 2021 through July 28, 2021.

(2) Excludes unamortized debt issuance costs related to the revolving credit facility totaling approximately $1.0 million and $2.1 million as of December 31, 2021 and 2020, respectively, which are included in other assets, net in the Company's consolidated balance sheets.

(3) Interest rate represents the weighted-average effective annual interest rate at the balance sheet date which includes the effect of interest rate swaps in effect on $770.0 million and $745.0 million of the outstanding variable-rate debt as of December 31, 2021 and 2020, respectively. See Note 5 for more information on the interest rate swap agreements. The one-month LIBOR at December 31, 2021 and 2020 was 0.10% and 0.14 %, respectively.

(4) Subject to certain conditions including covenant compliance and additional fees, the $425 million revolving credit facility maturity date may be extended up to one year, to July 27, 2023, if certain criteria are met at the time of extension.

Credit Facilities Covenants and Amendments

The credit agreements governing the unsecured credit facilities contain mandatory prepayment requirements, customary affirmative and negative covenants, restrictions on certain investments and events of default. The credit agreements contain the following financial and restrictive covenants:

- A ratio of Consolidated Total Indebtedness to Consolidated EBITDA ("Maximum Consolidated Leverage Ratio") of not more than 6.50 to 1.00 (subject to a higher amount in certain circumstances);
- A ratio of Consolidated Secured Indebtedness to Consolidated Total Assets of not more than 45%;
- A minimum Consolidated Tangible Net Worth of approximately $3.2 billion plus an amount equal to 75% of the Net Cash Proceeds from issuances and sales of Equity Interests occurring after the Closing Date, July 27, 2018, subject to adjustment;
- A ratio of Adjusted Consolidated EBITDA to Consolidated Fixed Charges ("Maximum Fixed Charge Coverage Ratio") of not less than 1.50 to 1.00 for the trailing four full quarters;

- A ratio of Unencumbered Adjusted NOI to Consolidated Implied Interest Expense for Consolidated Unsecured Indebtedness ("Maximum Unsecured Interest Coverage Ratio") of not less than 2.00 to 1.00 for the trailing four full quarters;

- A ratio of Consolidated Unsecured Indebtedness to Unencumbered Asset Value of not more than 60% (subject to a higher level in certain circumstances); and

- A ratio of Consolidated Secured Recourse Indebtedness to Consolidated Total Assets of not more than 10%.

As a result of COVID-19 and the associated disruption to the Company's operating results, the Company entered into amendments in June 2020 that suspended the testing of the Company's existing financial maintenance covenants under the unsecured credit facilities. These amendments imposed certain restrictions regarding the Company's investing and financing activities that were applicable during a specified waiver period, including, but not limited to, limitations on the acquisition of property, payment of distributions to shareholders, except for the payment of cash distributions to the extent required to maintain REIT status, capital expenditures and use of proceeds from the sale of property or common shares of the Company, that applied during such testing suspension period. On March 1, 2021, as a result of the continued disruption from COVID-19 and the related uncertainty with respect to the Company's future operating results, the Company entered into further amendments to each of the unsecured credit facilities (the "March 2021 amendments") to extend the covenant waiver period for all but two of the Company's existing financial maintenance covenants until the date that the compliance certificate was required to be delivered for the fiscal quarter ending June 30, 2022 (unless the Company elected an earlier date) (the "Extended Covenant Waiver Period"). The testing for the Minimum Fixed Charge Coverage Ratio and the Minimum Unsecured Interest Coverage Ratio was suspended until the compliance certificate was required to be delivered for the fiscal quarter ending March 31, 2022 (unless the Company elected an earlier date). The amendment provided for continued restrictions on the Company's ability to make cash distributions, except for the payment of cash dividends of $0.01 per common share per quarter or to the extent required to maintain REIT status.

In addition to the modifications and restrictions imposed during the Extended Covenant Waiver Period, the amendments modified the calculation of the existing financial covenants for the first three quarterly calculations subsequent to the end of the Extended Covenant Waiver Period to annualize calculated amounts based on the period beginning with the first fiscal quarter upon exiting the Extended Covenant Waiver Period through the most recently ended fiscal quarter, and provided for an increase in the LIBOR floor under the revolving credit facility from 0 to 25 basis points for Eurodollar Rate Loans (as defined in the credit agreements) and established a Base Rate (as defined in the credit agreements) floor of 1.25% on the revolving credit facility.

The March 2021 amendments also modified certain of the existing financial maintenance covenants to less restrictive levels upon exiting the Extended Covenant Waiver Period as follows (capitalized terms are defined in the credit agreements):

- Maximum Consolidated Leverage Ratio of 8.50 to 1.00 for the first two fiscal quarters, 8.00 to 1.00 for two fiscal quarters, 7.50 to 1.00 for one fiscal quarter and then a ratio of 6.50 to 1.00 thereafter;

- Minimum Fixed Charge Coverage Ratio of 1.05 to 1.00 for the first fiscal quarter, 1.25 to 1.00 for one fiscal quarter and then a ratio of 1.50 to 1.00 thereafter;

- Minimum Unsecured Interest Coverage Ratio of no less than 1.25 to 1.00 for one fiscal quarter, 1.50 to 1.00 for one fiscal quarter, 1.75 to 1.00 for one fiscal quarter and a ratio of 2.00 to 1.00 thereafter; and

- Maximum Unsecured Leverage Ratio of 65% for two fiscal quarters and 60% thereafter.

Except as otherwise set forth in the amendments, the terms of the credit agreements remain in effect.

In July 2021, the Company notified its lenders under its unsecured credit facilities that it had elected to exit the Extended Covenant Waiver Period effective on July 29, 2021 pursuant to the terms of each of its unsecured credit facilities. Upon exiting the Extended Covenant Waiver Period, the Company is no longer subject to the restrictions described above regarding its investing and financing activities that were applicable during the Extended Covenant Waiver Period, including, but not limited to, limitations on the acquisition of property, payment of distributions to shareholders, capital expenditures and use of proceeds from the sale of property or common shares of the Company. Those restrictions, including the restriction on payment of distributions to shareholders, were still in place throughout the second quarter of 2021.

As of December 31, 2021, the Company met the applicable financial maintenance covenants based on the annualized results of the nine months ended December 31, 2021 at the levels required for the third fiscal quarter tested upon exiting the

Extended Covenant Waiver Period. The unsecured credit facilities do not provide the Company the ability to re-enter the Extended Covenant Waiver Period once it has been elected to exit.

Mortgage Debt

As of December 31, 2021, the Company had approximately $498.0 million in outstanding mortgage debt secured by 28 properties with maturity dates ranging from August 2022 to May 2038, stated interest rates ranging from 3.40% to 5.00% and effective interest rates ranging from 3.40% to 4.97%. The loans generally provide for monthly payments of principal and interest on an amortized basis and defeasance or prepayment penalties if prepaid. As a result of the effects of the COVID-19 pandemic on certain hotels, the associated lenders granted temporary deferrals of principal and interest payments during 2020, however, all payments resumed as of December 31, 2020. The following table sets forth the hotel properties securing each loan, the interest rate, loan assumption or origination date, maturity date, the principal amount assumed or originated, and the outstanding balance prior to any fair value adjustments or debt issuance costs as of December 31, 2021 and 2020 for each of the Company's debt obligations. All dollar amounts are in thousands.

Location	Brand	Interest Rate [1]	Loan Assumption or Origination Date	Maturity Date	Principal Assumed or Originated	Outstanding balance as of December 31, 2021	Outstanding balance as of December 31, 2020
Cape Canaveral, FL	Hampton	(2)	4/30/2020	(3)	$ 10,852	$ -	$ 10,275
Cape Canaveral, FL	Home2 Suites	(2)	4/30/2020	(3)	10,852	-	10,275
Colorado Springs, CO	Hampton	6.25%	9/1/2016	(4)	7,923	-	7,317
Franklin, TN	Courtyard	6.25%	9/1/2016	(4)	14,679	-	13,563
Franklin, TN	Residence Inn	6.25%	9/1/2016	(4)	14,679	-	13,563
Seattle, WA	(5)	4.00%	8/16/2021	8/16/2022	56,000	56,000	-
Grapevine, TX	Hilton Garden Inn	4.89%	8/29/2012	9/1/2022	11,810	9,075	9,434
Collegeville/Philadelphia, PA	Courtyard	4.89%	8/30/2012	9/1/2022	12,650	9,720	10,105
Hattiesburg, MS	Courtyard	5.00%	3/1/2014	9/1/2022	5,732	4,550	4,729
Kirkland, WA	Courtyard	5.00%	3/1/2014	9/1/2022	12,145	9,640	10,018
Rancho Bernardo/San Diego, CA	Courtyard	5.00%	3/1/2014	9/1/2022	15,060	11,954	12,422
Seattle, WA	Residence Inn	4.96%	3/1/2014	9/1/2022	28,269	22,412	23,294
Anchorage, AK	Embassy Suites	4.97%	9/13/2012	10/1/2022	23,230	17,959	18,660
Somerset, NJ	Courtyard	4.73%	3/1/2014	10/6/2022	8,750	6,903	7,179
Tukwila, WA	Homewood Suites	4.73%	3/1/2014	10/6/2022	9,431	7,440	7,737
Huntsville, AL	Homewood Suites	4.12%	3/1/2014	2/6/2023	8,306	6,473	6,742
Prattville, AL	Courtyard	4.12%	3/1/2014	2/6/2023	6,596	5,141	5,354
San Diego, CA	Residence Inn	3.97%	3/1/2014	3/6/2023	18,600	14,456	15,061
Miami, FL	Homewood Suites	4.02%	3/1/2014	4/1/2023	16,677	13,000	13,537
New Orleans, LA	Homewood Suites	4.36%	7/17/2014	8/11/2024	27,000	21,981	22,766
Westford, MA	Residence Inn	4.28%	3/18/2015	4/11/2025	10,000	8,320	8,605
Denver, CO	Hilton Garden Inn	4.46%	9/1/2016	6/11/2025	34,118	29,415	30,387
Oceanside, CA	Courtyard	4.28%	9/1/2016	10/1/2025	13,655	12,318	12,605
Omaha, NE	Hilton Garden Inn	4.28%	9/1/2016	10/1/2025	22,682	20,460	20,936
Boise, ID	Hampton	4.37%	5/26/2016	6/11/2026	24,000	21,680	22,146
Burbank, CA	Courtyard	3.55%	11/3/2016	12/1/2026	25,564	22,098	23,315
San Diego, CA	Courtyard	3.55%	11/3/2016	12/1/2026	25,473	22,019	23,232
San Diego, CA	Hampton	3.55%	11/3/2016	12/1/2026	18,963	16,392	17,295
Burbank, CA	SpringHill Suites	3.94%	3/9/2018	4/1/2028	28,470	25,845	27,078
Santa Ana, CA	Courtyard	3.94%	3/9/2018	4/1/2028	15,530	14,098	14,770
Richmond, VA	Courtyard	3.40%	2/12/2020	3/11/2030	14,950	14,447	14,739
Richmond, VA	Residence Inn	3.40%	2/12/2020	3/11/2030	14,950	14,447	14,739
Portland, ME	Residence Inn	3.43%	3/2/2020	4/1/2030	33,500	33,500	33,500
San Jose, CA	Homewood Suites	4.22%	12/22/2017	5/1/2038	30,000	26,303	27,392
					$ 631,096	498,046	512,770
Unamortized fair value adjustment of assumed debt						1,010	1,624
Unamortized debt issuance costs						(1,487)	(1,848)
Total						$ 497,569	$ 512,546

(1) Interest rates are the rates per the loan agreement. For loans assumed, the Company adjusted the interest rates per the loan agreement to market rates and is amortizing the adjustments to interest expense over the life of the loan.
(2) Interest rate was variable based on one-month LIBOR plus 3.00%. As of April 12, 2021, the date the loan was fully repaid, the interest rate was 3.11%. In July 2020, the principal amount of the note was reduced by approximately $1.1 million representing a credit from the developer for shared construction savings.
(3) Loan was repaid in full on April 12, 2021.
(4) Loan was repaid in full on June 4, 2021.
(5) On August 16, 2021, the Company acquired the fee interest in the land at the Seattle, Washington Residence Inn, previously held under a finance ground lease, for a purchase price of $80.0 million, consisting of a $24.0 million cash payment and a one-year note payable to the seller for $56.0 million.

The total fair value, net premium adjustment for all of the Company's debt assumptions is being amortized as a reduction to interest expense over the remaining term of the respective mortgages using a method approximating the effective interest rate method, and totaled approximately $0.6 million, $0.9 million and $0.9 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Debt issuance costs related to the assumption or origination of debt are amortized over the period to maturity of the applicable debt instrument, as an addition to interest expense, and totaled approximately $4.2 million, $3.8 million and $2.8 million for the three years ended December 31, 2021, 2020 and 2019.

The Company's interest expense in 2021, 2020 and 2019 is net of interest capitalized in conjunction with hotel renovations totaling approximately $0.3 million, $0.9 million and $1.3 million, respectively.

Note 5

Fair Value of Financial Instruments

Except as described below, the carrying value of the Company's financial instruments approximates fair value due to the short-term nature of these financial instruments.

Debt

The Company estimates the fair value of its debt by discounting the future cash flows of each instrument at estimated market rates consistent with the maturity of a debt obligation with similar credit terms and credit characteristics, which are Level 3 inputs under the fair value hierarchy. Market rates take into consideration general market conditions and maturity. As of December 31, 2021, both the carrying value and estimated fair value of the Company's debt were approximately $1.4 billion. As of December 31, 2020, both the carrying value and estimated fair value of the Company's debt were approximately $1.5 billion. Both the carrying value and estimated fair value of the Company's debt (as discussed above) is net of unamortized debt issuance costs related to term loans and mortgage debt for each specific year.

Derivative Instruments

Currently, the Company uses interest rate swaps to manage its interest rate risks on variable-rate debt. Throughout the terms of these interest rate swaps, the Company pays a fixed rate of interest and receives a floating rate of

interest equal to the one-month LIBOR. The swaps are designed to effectively fix the interest payments on variable-rate debt instruments. These swap instruments are recorded at fair value and, if in an asset position, are included in other assets, net, and, if in a liability position, are included in accounts payable and other liabilities in the Company's consolidated balance sheets. The fair values of the Company's interest rate swap agreements are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts, which is considered a Level 2 measurement under the fair value hierarchy. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. The following table sets forth information for each of the Company's interest rate swap agreements outstanding as of December 31, 2021 and 2020. All dollar amounts are in thousands.

Notional Amount at December 31, 2021	Origination Date	Effective Date	Maturity Date	Swap Fixed Interest Rate	Fair Value Asset (Liability) December 31, 2021	Fair Value Asset (Liability) December 31, 2020
Interest rate swaps designated as cash flow hedges at December 31, 2021:						
$ 100,000	4/7/2016	9/30/2016	3/31/2023	1.33%	$ (955)	$ (2,681)
75,000	5/31/2017	7/31/2017	6/30/2024	1.96%	(1,902)	(4,639)
10,000	8/10/2017	8/10/2017	6/30/2024	2.01%	(268)	(636)
50,000	6/1/2018	1/31/2019	6/30/2025	2.89%	(3,123)	(5,911)
50,000	7/2/2019	7/5/2019	7/18/2024	1.65%	(894)	(2,593)
50,000	8/21/2019	8/23/2019	8/18/2024	1.32%	(457)	(2,036)
50,000	8/21/2019	8/23/2019	8/30/2024	1.32%	(455)	(2,049)
85,000	12/31/2019	12/31/2019	12/31/2029	1.86%	(3,277)	(8,677)
25,000	12/6/2018	1/31/2020	6/30/2025	2.75%	(1,442)	(2,801)
50,000	12/7/2018	5/18/2020	1/31/2024	2.72%	(1,965)	(3,967)
75,000	8/21/2019	5/18/2020	5/18/2025	1.27%	(458)	(3,294)
75,000	7/31/2020	8/18/2020	8/18/2022	0.13%	79	14
75,000	8/21/2019	5/18/2021	5/18/2026	1.30%	(391)	(3,415)
770,000					(15,508)	(42,685)
Interest rate swaps matured prior to December 31, 2021:						
50,000	4/7/2016	9/30/2016	3/31/2021	1.09%	-	(117)
					$ (15,508)	$ (42,802)

The Company assesses, both at inception and on an ongoing basis, the effectiveness of its qualifying cash flow hedges. As of December 31, 2021, all 13 active interest rate swap agreements listed above were designated as cash flow hedges. The change in the fair value of the Company's designated cash flow hedges is recorded to accumulated other comprehensive loss, a component of shareholder's equity in the Company's consolidated balance sheets.

Amounts reported in accumulated other comprehensive loss will be reclassified to interest and other expense, net as interest payments are made or received on the Company's variable-rate derivatives. The Company estimates that approximately $9.0 million of net unrealized losses included in accumulated other comprehensive loss at December 31, 2021 will be reclassified as an increase to interest and other expense, net within the next 12 months.

The following tables present the effect of derivative instruments in cash flow hedging relationships in the Company's consolidated statements of operations and comprehensive income for the years ended December 31, 2021, 2020 and 2019 (in thousands):

	Net Unrealized Gain (Loss) Recognized in Other Comprehensive Income (Loss)		
	2021	2020	2019
Interest rate derivatives in cash flow hedging relationships	$ 15,904	$ (45,850)	$ (11,035)

	Net Unrealized Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) to Interest and Other Expense, net		
	2021	2020	2019
Interest rate derivatives in cash flow hedging relationships	$ (11,390)	$ (7,746)	$ 3,669

Note 6

Related Parties

The Company has, and is expected to continue to engage in, transactions with related parties. These transactions cannot be construed to be at arm's length and the results of the Company's operations may be different if these transactions were conducted with non-related parties. The Company's independent members of the Board of Directors oversee and annually review the Company's related party relationships (including the relationships discussed in this section) and are required to approve any significant modifications to the existing relationships, as well as any new significant related party transactions. The Board of Directors is not required to approve each individual transaction that falls under the related party relationships. However, under the direction of the Board of Directors, at least one member of the Company's senior management team approves each related party transaction. Below is a summary of the significant related party relationships in effect and transactions that occurred during each of the three years in the period ended December 31, 2021.

Glade M. Knight, Executive Chairman of the Company, owns Apple Realty Group, Inc. ("ARG"), which receives support services from the Company and reimburses the Company for the cost of these services as discussed below. Mr. Knight is also currently a partner and Chief Executive Officer of Energy 11 GP, LLC and Energy Resources 12 GP, LLC, which are the respective general partners of Energy 11, L.P. and Energy Resources 12, L.P., each of which receives support services from ARG.

The Company provides support services, including the use of the Company's employees and corporate office, to ARG and is reimbursed by ARG for the cost of these services. Under this cost sharing structure, amounts reimbursed to the Company include both compensation for personnel and office related costs (including office rent, utilities, office supplies, etc.) used by ARG. The amounts reimbursed to the Company are based on the actual costs of the services and a good faith estimate of the proportionate amount of time incurred by the Company's employees on behalf of ARG. Total reimbursed costs allocated by the Company to ARG for the years ended December 31, 2021, 2020 and 2019 totaled approximately $0.8 million, $1.2 million and $1.3 million, respectively, and are recorded as a reduction to general and administrative expenses in the Company's consolidated statements of operations.

As part of the cost sharing arrangement, certain day-to-day transactions may result in amounts due to or from the Company and ARG. To efficiently manage cash disbursements, the Company or ARG may make payments for the other company. Under this cash management process, each company may advance or defer up to $1 million at any time. Each quarter, any outstanding amounts are settled between the companies. This process allows each company to minimize its cash on hand and reduces the cost for each company. The amounts outstanding at any point in time are not significant to either of the companies. As of December 31, 2021 and 2020, total amounts due from ARG for reimbursements under the cost sharing structure totaled approximately $0.3 million in each respective year and are included in other assets, net in the Company's consolidated balance sheets.

The Company, through its wholly-owned subsidiary, Apple Air Holding, LLC, owns a Learjet used primarily for acquisition, asset management, renovation and investor and public relations purposes. The aircraft is also leased to affiliates of the Company based on third-party rates, which leasing activity was not significant during the reporting periods. The Company also utilizes aircraft, owned through an entity owned by the Company's Executive Chairman, for acquisition, asset management, renovation and investor and public relations purposes, and reimburses this entity at third-party rates. Total costs incurred for the use of the aircraft during 2021, 2020 and 2019 were less than $0.1 million in each respective year and are included in general and administrative expenses in the Company's consolidated statements of operations.

Note 7

Shareholders' Equity

Distributions

Subsequent to the distribution paid in March 2020, the Company announced the suspension of its monthly distributions due to the impact of COVID-19 on its operating cash flows. Prior to the suspension of its distributions, the Company's annual distribution rate, payable monthly, was $1.20 per common share. Beginning in March 2021, the Board of Directors declared distributions of $0.01 per common share in the last month of each quarter and the distributions were paid out each following month. For the three years ended December 31, 2021, 2020 and 2019, the Company paid distributions of $0.03, $0.30 and $1.20 per common share for a total of approximately $6.8 million, $67.4 million and $268.7 million, respectively. The quarterly distribution of $0.01 per common share declared in December 2021 totaled $2.3 million and was paid on January 18, 2022. This accrued distribution was included in accounts payable and other liabilities in the Company's consolidated

balance sheet at December 31, 2021. During the Extended Covenant Waiver Period, the Company was subject to the restrictions on distributions under its credit facilities as discussed in Note 4 titled "Debt."

Issuance of Shares

On August 12, 2020, the Company entered into an equity distribution agreement pursuant to which the Company may sell, from time to time, up to an aggregate of $300 million of its common shares under an at-the-market offering program (the "ATM Program"). As of December 31, 2021, the Company sold approximately 4.7 million common shares under its ATM Program at a weighted-average market sales price of approximately $16.26 per common share and received aggregate gross proceeds of approximately $76.0 million and proceeds net of offering costs, which included $0.9 million of commissions, of approximately $75.1 million. The Company used the net proceeds from the sale of these shares primarily to pay down borrowings under its revolving credit facility and used the corresponding increased availability under the revolving credit facility for general corporate purposes, including acquisitions of hotel properties. As of December 31, 2021, approximately $224.0 million remained available for issuance under the ATM Program. The Company plans to use future net proceeds from the sale of these shares to continue to pay down borrowings under its revolving credit facility (if any). The Company plans to use the corresponding increased availability under the revolving credit facility for general corporate purposes which may include, among other things, acquisitions of additional properties, the repayment of other outstanding indebtedness, capital expenditures, improvement of properties in its portfolio and working capital. The Company may also use the net proceeds to acquire another REIT or other company that invests in income producing properties.

Share Repurchases

In May 2021, the Company's Board of Directors approved a one year extension of its existing share repurchase program, authorizing share repurchases up to an aggregate of $345 million (the "Share Repurchase Program"). The Share Repurchase Program may be suspended or terminated at any time by the Company and will end in July 2022 if not terminated earlier or extended. No common shares were repurchased in 2021. During 2020 and 2019, the Company purchased under its Share Repurchase Program approximately 1.5 million and 0.3 million of its common shares at a weighted-average market purchase price of approximately$9.42 and $14.92 per common share for an aggregate purchase price, including commissions, of approximately$14.3 million and $4.3 million, respectively. The shares were repurchased under a written trading plan that provided for share repurchases in open market transactions and was intended to comply with Rule 10b5-1 under the Exchange Act. Past repurchases under the Share Repurchase Program have been funded, and the Company intends to fund future repurchases, with cash on hand or availability under its unsecured credit facilities, subject to applicable restrictions under the Company's unsecured credit facilities (if any). The timing of share repurchases and the number of common shares to be repurchased under the Share Repurchase Program will also depend upon the prevailing market conditions, regulatory requirements and other factors.

Preferred Shares

No preferred shares of the Company are issued and outstanding. The Company's amended and restated articles of incorporation authorize issuance of up to 30 million preferred shares. The Company believes that the authorization to issue preferred shares benefits the Company and its shareholders by permitting flexibility in financing additional growth, giving the Company additional financing options in corporate planning and in responding to developments in its business, including financing of additional acquisitions and other general corporate purposes. Having authorized preferred shares available for issuance in the future gives the Company the ability to respond to future developments and allows preferred shares to be issued without the expense and delay of a special shareholders' meeting. At present, the Company has no specific financing or acquisition plans involving the issuance of preferred shares and the Company does not propose to fix the characteristics of any series of preferred shares in anticipation of issuing preferred shares. The Company cannot now predict whether or to what extent, if any, preferred shares will be used or if so used what the characteristics of a particular series may be. A series of preferred shares could be given rights that are superior to rights of holders of common shares and a series having preferential distribution rights could limit common share distributions and reduce the amount holders of common shares would otherwise receive on dissolution. Unless otherwise required by applicable law or regulation, the preferred shares would be issuable without further authorization by holders of the common shares and on such terms and for such consideration as may be determined by the Board of Directors. The preferred shares could be issued in one or more series having varying voting rights, redemption and conversion features, distribution (including liquidating distribution) rights and preferences, and other rights, including rights of approval of specified transactions. The voting rights and rights to distributions of the holders of common shares will be subject to the priority rights of the holders of any subsequently-issued preferred shares.

Note 8

Compensation Plans

In May 2014, the Board of Directors adopted the Company's 2014 Omnibus Incentive Plan (the "Omnibus Plan"), and in May 2015, the Company's shareholders approved the Omnibus Plan. The Omnibus Plan permits the grant of awards of stock options, stock appreciation rights, restricted stock, stock units, deferred stock units, unrestricted stock, dividend equivalent rights, performance shares and other performance-based awards, other equity-based awards, and cash bonus awards to any employee, officer, or director of the Company or an affiliate of the Company, a consultant or adviser currently providing services to the Company or an affiliate of the Company, or any other person whose participation in the Omnibus Plan is determined by the Compensation Committee of the Board of Directors (the "Compensation Committee") to be in the best interests of the Company. The maximum number of the Company's common shares available for issuance under the Omnibus Plan is 10 million. As of December 31, 2021, there were approximately 7.7 million common shares available for issuance under the Omnibus Plan.

Each year, the Company establishes an incentive plan for its executive management team, which is approved by the Compensation Committee. Under the incentive plan for 2021 (the "2021 Incentive Plan"), participants are eligible to receive incentive compensation based on the achievement of certain 2021 performance measures, consisting of operational performance goals and shareholder return metrics (including shareholder return relative to a peer group and total shareholder return, over one-year, two-year and three-year periods). With respect to the operational performance goals, for the period of January 1 – June 30, 2021, goals included portfolio occupancy growth, expense management, successful negotiation of amendments to each of the Company's unsecured credit facilities and effective allocation of capital to drive incremental returns, with no specific target or weighting assigned to each goal. Operational performance goals for the period of July 1 – December 31, 2021, included goals regarding top line growth, bottom line growth, capital allocation and balance sheet metrics, with no specific target or weighting assigned to each goal. The operational performance goals account for 50% of the total target incentive compensation. The shareholder return metrics are weighted 75% for relative shareholder return metrics and 25% for total shareholder return metrics, and account for 50% of the total target incentive compensation. As of December 31, 2021, the range of potential aggregate payouts under the 2021 Incentive Plan was $0 - $22.4 million. Based on performance during 2021, the Company has accrued approximately $18.5 million as a liability for executive incentive compensation payments under the 2021 Incentive Plan, which is included in accounts payable and other liabilities in the Company's consolidated balance sheet as of December 31, 2021 and in general and administrative expenses in the Company's consolidated statement of operations for the year ended December 31, 2021. Additionally, approximately $2.5 million, which is subject to vesting on December 9, 2022, will be recognized proportionally throughout 2022. Approximately 25% of target awards under the 2021 Incentive Plan will be paid in cash, and 75% will be issued in common shares under the Company's Omnibus Plan. The portion of awards under the 2021 Incentive Plan payable in common shares will be issued under the Company's Omnibus Plan during the first quarter of 2022, approximately two-thirds of which will be unrestricted and one-third of which will be restricted and is subject to vesting on December 9, 2022.

Under the incentive plan for 2020 (the "2020 Incentive Plan"), the Company accrued approximately $6.1 million including $5.9 million in share-based compensation as noted below, as a liability for executive incentive compensation payments, which was included in accounts payable and other liabilities in the Company's consolidated balance sheet as of December 31, 2020 and in general and administrative expenses in the Company's consolidated statement of operations for the year ended December 31, 2020. Under the incentive plan for 2019 (the "2019 Incentive Plan"), the Company accrued approximately $10.6 million, including $7.5 million in share-based compensation as noted below, as a liability for executive incentive compensation payments, which was included in general and administrative expenses in the Company's consolidated statement of operations for the year ended December 31, 2019.

In 2020, the Company incurred expense associated with two separation agreements of approximately $1.25 million each, totaling approximately $2.5 million, in connection with the retirements of the Company's former Executive Vice President and Chief Operating Officer and the Company's former Executive Vice President and Chief Financial Officer, effective March 31, 2020, which amounts were paid in October 2020. The expense was included in general and administrative expenses in the Company's consolidated statement of operations for the year ended December 31, 2020. Pursuant to the terms of the separation agreement between Mr. Bryan F. Peery, the retiring Chief Financial Officer ("Mr. Peery") and the Company dated as of March 4, 2020 and amended on March 30, 2020, among other things, Mr. Peery agreed to remain employed by the Company in an advisory role to support the transition of his responsibilities. As a result of the COVID-19 pandemic, Mr. Peery provided substantive additional assistance to the Company as it navigated its response to the COVID-19 pandemic beyond the anticipated transition activities originally contemplated after March 31. In light of these unexpected contributions, on November 2, 2020, the Compensation Committee of the Board of Directors of the Company approved a one-time grant of 35,070 fully vested common shares to Mr. Peery, with a grant date value of $0.35 million, which was included in general and administrative expenses in the Company's consolidated statement of operations for the year ended December 31, 2020. This grant is in addition to amounts otherwise payable under Mr. Peery's separation agreement.

In connection with the resignation in December 2019 of Ms. Rachael Rothman, the Company's former Executive Vice President and Chief Financial Officer, the Company entered into a separation and general release agreement, pursuant to which the Company accrued in 2019 for a one-time separation payment of approximately $1.6 million, which was paid in January 2020, and a 2019 incentive payment of approximately $0.6 million which was paid in cash in March 2020. Both of these payments were included in general and administrative expenses in the Company's consolidated statements of operations for the year ended December 31, 2019.

During the year ended December 31, 2019, the Company incurred a one-time separation payment of $0.5 million in connection with the retirement of the Company's former Executive Vice President and Chief Legal Officer which, pursuant to the separation and general release agreement executed in March 2019, was paid in April 2019 and was included in general and administrative expenses in the Company's consolidated statement of operations for the year ended December 31, 2019.

Share-Based Compensation Awards

The following table sets forth information pertaining to the share-based compensation issued under the 2020 Incentive Plan, the 2019 Incentive Plan and the incentive plan for 2018 (the "2018 Incentive Plan"):

	2020 Incentive Plan	2019 Incentive Plan	2018 Incentive Plan
Period common shares issued	First Quarter 2021	First Quarter 2020	First Quarter 2019
Common shares earned under each incentive plan	555,726	665,552	156,926
Common shares surrendered on issuance date to satisfy tax withholding obligations	117,647	60,616	24,999
Common shares earned and issued under each incentive plan, net of common shares surrendered on issuance date to satisfy tax withholding obligations	438,079	604,936	131,927
Closing stock price on issuance date	$ 14.03	$ 13.01	$ 16.49
Total share-based compensation earned, including the surrendered shares (in millions)	$ 7.8 (1)	$ 8.7 (2)	$ 2.6 (3)
Of the total common shares earned and issued, total common shares unrestricted at time of issuance	160,216	426,553	105,345
Of the total common shares earned and issued, total common shares restricted at time of issuance	277,863	178,383	26,582
Restricted common shares vesting date	December 10, 2021	December 11, 2020	December 13, 2019
Common shares surrendered on vesting date to satisfy tax withholding requirements resulting from vesting of restricted common shares	108,292	60,066	5,502

(1) Of the total 2020 share-based compensation, approximately $5.9 million was recognized as share-based compensation expense during the year ended December 31, 2020, and included in accounts payable and other liabilities in the Company's consolidated balance sheet at December 31, 2020, and the remaining $1.9 million, which vested on December 10, 2021 and excludes any restricted shares forfeited or vested prior to that date, was recognized as share-based compensation expense during the year ended December 31, 2021.

(2) Of the total 2019 share-based compensation, approximately $7.5 million was recognized as share-based compensation expense during the year ended December 31, 2019, and included in accounts payable and other liabilities in the Company's consolidated balance sheet at December 31, 2019, and the remaining $1.2 million, which vested on December 11, 2020 and excludes any restricted shares forfeited or vested prior to that date, was recognized as share-based compensation expense during the year ended December 31, 2020.

(3) Of the total 2018 share-based compensation, approximately $0.2 million, which vested on December 13, 2019, was recognized as share-based compensation expense during the year ended December 31, 2019.

Additionally, in conjunction with the appointment of five new officers of the Company on April 1, 2020, the Company issued to the new officer group a total of approximately 200,000 restricted common shares with an aggregate grant date fair value of approximately $1.8 million. For each grantee, the restricted shares will vest on March 31, 2023 if the individual remains in service of the Company through the date of vesting. The expense associated with the awards will be amortized over the 3-year restriction period. For the years ended December 31, 2021 and 2020, the Company recognized approximately $0.6 million and $0.4 million, respectively, of share-based compensation expense related to these awards.

Non-Employee Director Deferral Program

In 2018, the Board of Directors adopted the Non-Employee Director Deferral Program (the "Director Deferral Program") under the Omnibus Plan for the purpose of providing non-employee members of the Board the opportunity to elect to defer receipt of all or a portion of the annual retainer payable to them for their service on the Board, including amounts payable in both cash and fully vested shares of the Company's common shares, in the form of deferred cash fees ("DCFs") and/or deferred stock units ("DSUs"). DCFs and DSUs that are issued to the Company's non-employee directors are fully vested and non-forfeitable on the grant date. The grant date fair values of DCFs are equal to the dollar value of the deferred fee on the grant date, while the grant date fair values of DSUs are equal to the fair market value of the Company's common shares on the grant date. DCFs are settled for cash and DSUs are settled for shares of the Company's common stock, which are deliverable upon either: i) termination of the director's service from the Board, ii) a date previously elected by the director, or iii) the earlier of the two dates, as determined by the director at the time he or she makes the election. The deferred amounts will also be paid if prior to the date specified by the director, the Company experiences a change in control or upon death of the director. During the years ended December 31, 2021, 2020 and 2019, non-employee directors participating in the Director Deferral Program deferred approximately $0.4 million, $0.3 million and $0.4 million, respectively, which is recorded as deferred compensation expense in general and administrative expenses in the Company's consolidated statements of operations for the years then ended. On each quarterly deferral date (the date that a portion of the annual retainer would be paid), dividends earned on DSUs are credited to the deferral account in the form of additional DSUs based on dividends declared by the Company on its outstanding common shares during the quarter and the fair market value of the common shares on such date. Outstanding DSUs at December 31, 2021 and 2020 were approximately 101,000 and 78,000, with weighted-average grant date fair values of $14.57 and $14.46, valued at $1.5 million and $1.1 million, respectively, which is included in common stock, a component of shareholders' equity in the Company's consolidated balance sheets as of December 31, 2021 and 2020.

Note 9

Management and Franchise Agreements

Each of the Company's 219 hotels owned as of December 31, 2021 is operated and managed under a separate management agreement with one of the following management companies or one of their affiliates, none of which are affiliated with the Company (number of hotels by manager are as of December 31, 2021):

Manager	Number of Hotels
LBAM-Investor Group, LLC ("LBA")	34
Dimension Development Two, LLC ("Dimension")	31
Crestline Hotels & Resorts, LLC ("Crestline")	26
Raymond Management Company, Inc. ("Raymond")	22
White Lodging Services Corporation ("White Lodging") (1)	21
MHH Management, LLC ("McKibbon")	14
Texas Western Management Partners, LP ("Western")	14
Marriott International, Inc. ("Marriott")	13
Newport Hospitality Group, Inc. ("Newport")	11
North Central Hospitality, LLC ("North Central")	9
Aimbridge Hospitality, LLC ("Aimbridge")	7
InnVentures IVI, LP ("InnVentures")	5
Chartwell Hospitality, LLC ("Chartwell")	5
Huntington Hotel Group, LP ("Huntington")	3
Stonebridge Realty Advisors, Inc. ("Stonebridge")	3
Highgate Hotels, L.P. ("Highgate")	1
Total	219

(1) Effective February 1, 2022, management responsibility for 18 hotels previously managed by White Lodging was transferred to a subsidiary of Hersha Hospitality Management L.P. ("HHM").

The management agreements generally provide for initial terms of one to 30 years and are terminable by the Company for either failure to achieve performance thresholds, upon sale of the property, or without cause. As of December 31, 2021, over 80% of the Company's hotels operate under a variable management fee agreement, with an average initial term of approximately one to two years, which the Company believes better aligns incentives for each hotel manager to maximize each property's performance than a base-plus-incentive management fee structure, as described below, which is more common throughout the industry. Under the variable fee structure, the management fee earned for each hotel is generally within a range of 2.5% to 3.5% of gross revenues. The performance measures are based on various financial and quality performance metrics. The Company's remaining hotels operate under a management fee structure which generally includes the payment of base management fees and an opportunity for incentive management fees. Under this structure, base management fees are calculated as a percentage of gross revenues and the incentive management fees are calculated as a percentage of operating profit in excess of a priority return to the Company, as defined in the management agreements. In addition to the above, management fees for all of the Company's hotels generally include accounting fees and other fees for centralized services, which are allocated among all of the hotels that receive the benefit of such services. During 2020 and 2021, in response to COVID-19 and its impact on hotel performance, the management fee under all variable management fee agreements was set to 3% of gross revenues. For the years ended December 31, 2021, 2020 and 2019, the Company incurred approximately $31.4 million, $19.8 million and $43.8 million, respectively, in management fees.

Thirteen of the Company's hotels are managed by affiliates of Marriott. The remainder of the Company's hotels are managed by companies that are not affiliated with either Marriott, Hilton or Hyatt, and as a result, the branded hotels they manage were required to obtain separate franchise agreements with each respective franchisor. The franchise agreements generally provide for initial terms of approximately 10 to 30 years and generally provide for renewals subject to franchise requirements at the time of renewal. The Company pays various fees under these agreements, including the payment of royalty fees, marketing fees, reservation fees, a communications support fee, brand loyalty program fees and other similar fees based on room revenues. For the years ended December 31, 2021, 2020 and 2019, the Company incurred approximately $40.9 million, $26.4 million and $54.9 million, respectively, in franchise royalty fees.

Note 10

Lease Commitments

The Company is the lessee on certain ground leases, hotel equipment leases and office space leases. As of December 31, 2021, the Company had 14 hotels subject to ground leases and three parking lot ground leases with remaining terms ranging from approximately two to 97 years, excluding renewal options. Certain of its ground leases have options to extend beyond the initial lease term by periods ranging from five to 120 years.

Adoption of Lease Accounting Standard Topic 842

The Company adopted ASU No. 2016-02, *Leases (Topic 842)*, effective January 1, 2019, which requires leases with durations greater than twelve months to be recognized on the balance sheet as right-of-use ("ROU") assets and lease liabilities. Prior year financial statements were not restated under the new standard.

Under the standard, the Company's leases are classified as operating or finance leases. For leases with terms greater than 12 months, at inception of the lease the Company recognizes a ROU asset and lease liability at the estimated present value of the minimum lease payments over the lease term. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Many of the Company's leases include rental escalation clauses (including fixed scheduled rent increases) and renewal options that are factored into the determination of lease payments when appropriate and the present value of the remaining lease payments is adjusted accordingly. The Company utilizes interest rates implicit in the lease if determinable or, if not, it estimates its incremental borrowing rate from information available at lease commencement, to determine the present value of the lease payments. At transition to the new standard, the Company used information available at that time to determine the incremental borrowing rates on its existing leases at January 1, 2019 based on estimates of rates the Company would pay for senior collateralized loans with terms similar to each lease.

Operating Leases

Twelve of the Company's hotel and parking lot ground leases as well as certain applicable hotel equipment leases and office space leases are classified as operating leases, for which the Company recorded ROU assets and lease liabilities at adoption of the new standard. The ROU assets are included in other assets, net and the lease liabilities are included in accounts payable and other liabilities in the Company's consolidated balance sheet. In addition, at adoption of the new standard, the Company reclassified its intangible assets for below market ground leases and intangible liabilities for above market ground leases related to these leases from other assets, net and accounts payable and other liabilities in the Company's consolidated balance sheet, respectively, as well as accrued straight-line lease liabilities related to these leases from accounts payable and other liabilities in the Company's consolidated balance sheet to the beginning ROU assets. Lease expense is recognized on a straight-line basis over the term of the respective lease and the value of each lease intangible is amortized over the term of the respective lease. Costs related to operating ground leases and hotel equipment leases are included in hotel operating expense and property taxes, insurance and other expense, and costs related to office space leases are included in general and administrative expense in the Company's consolidated statements of operations.

Finance Leases

Five of the Company's hotel ground leases are classified as finance leases, for which the Company recorded ROU assets and lease liabilities at the latter of the adoption of the standard or the acquisition of the lease. The ROU assets are recorded as finance ground lease assets within investment in real estate, net and the lease liabilities are recorded as finance lease liabilities in the Company's consolidated balance sheet. In addition, at adoption of the standard, the Company reclassified its intangible assets for below market ground leases and intangible liabilities for above market ground leases related to these leases from other assets, net and accounts payable and other liabilities in the Company's consolidated balance sheet, respectively, to the beginning ROU assets. At adoption of the lease standard effective January 1, 2019, the Company recorded a cumulative-effect adjustment totaling approximately $5.2 million, which included the derecognition of accrued straight-line lease liabilities related to the finance leases, to distributions greater than net income, a component of shareholders' equity in the Company's consolidated balance sheet. The ROU asset and value of each lease intangible is amortized over the term of the respective lease. Costs related to finance ground leases are included in depreciation and amortization expense and interest and other expense, net in the Company's consolidated statement of operations.

Under the terms of the Company's ground leases, certain minimum lease payments are subject to change based on criteria specified in the lease. Changes in minimum lease payments that are not fixed scheduled increases are reflected in the ROU asset and lease liability when the payments become fixed and determinable based on the actual criteria defined in the lease. Minimum lease payments may be estimated if the change date occurs and the new minimum lease payments are not yet determinable.

Lease Position as of December 31, 2021 and 2020

The following table sets forth the lease-related assets and liabilities included in the Company's consolidated balance sheet as of December 31, 2021 and 2020. All dollar amounts are in thousands.

	Consolidated Balance Sheet Classification	December 31, 2021	December 31, 2020
Assets			
Operating lease assets, net	Other assets, net	$ 27,061	$ 27,250
Finance ground lease assets, net (1)	Investment in real estate, net	93,068	192,751
Total lease assets		$ 120,129	$ 220,001
Liabilities			
Operating lease liabilities	Accounts payable and other liabilities	$ 12,015	$ 11,642
Finance lease liabilities	Finance lease liabilities	111,776	219,981
Total lease liabilities		$ 123,791	$ 231,623
Weighted-average remaining lease term			
Operating leases			36 years
Finance leases			31 years
Weighted-average discount rate			
Operating leases			5.46%
Finance leases			5.31%

(1) Finance ground lease assets are net of accumulated amortization of approximately $9.0 million and $10.9 million as of December 31, 2021 and 2020, respectively.

Lease Costs for the Years Ended December 31, 2021, 2020 and 2019

The following table sets forth the lease costs related to the Company's operating and finance ground leases included in the Company's consolidated statement of operations for the years ended December 31, 2021, 2020 and 2019 (in thousands):

	Consolidated Statement of Operations Classification	Year Ended December 31, 2021	2020	2019
Operating lease costs (1)	Property taxes, insurance and other expense	$ 1,585	$ 1,509	$ 1,658
Finance lease costs:				
Amortization of lease assets	Depreciation and amortization expense	5,178	6,433	4,517
Interest on lease liabilities	Interest and other expense, net	9,415	11,402	8,241
Total lease costs		$ 16,178	$ 19,344	$ 14,416

(1) Represents costs related to ground leases, including variable lease costs. Excludes costs related to hotel equipment leases, which are included in hotel operating expense and property taxes, insurance and other expense, and costs related to office space leases, which are included in general and administrative expense in the Company's consolidated statement of operations. These costs are not significant for disclosure.

Undiscounted Cash Flows

The following table reconciles the undiscounted cash flows for each of the next five years and total of the remaining years to the operating lease liabilities and finance lease liabilities included in the Company's consolidated balance sheet as of December 31, 2021 (in thousands):

	Operating leases	Finance leases
2022	$ 1,098	$ 5,642
2023	1,005	5,991
2024	975	6,174
2025	983	6,338
2026	792	6,500
Thereafter	31,045	230,254
Total minimum lease payments	35,898	260,899
Less: amount of lease payments representing interest	23,883	149,123
Present value of lease liabilities	$ 12,015	$ 111,776

Supplemental Cash Flow Information

The following table sets forth supplemental cash flow information related to the Company's operating and finance leases for the years ended December 31, 2021, 2020 and 2019 (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows for operating leases	$ 1,109	$ 1,295	$ 1,344
Operating cash flows for finance leases	6,568	8,048	6,989
Financing cash flows for finance leases	24,045	-	-

Note 11

Industry Segments

The Company owns hotel properties throughout the U.S. that generate rental, food and beverage, and other property-related income. The Company separately evaluates the performance of each of its hotel properties. However, because each of the hotels has similar economic characteristics, facilities, and services, and each hotel is not individually significant, the properties have been aggregated into a single reportable segment. All segment disclosures are included in or can be derived from the Company's consolidated financial statements.

Note 12

Hotel Purchase Contract Commitments

As of December 31, 2021, the Company had one outstanding contract, which was entered into during 2021, for the potential purchase of a hotel in Madison, Wisconsin for an expected purchase price of approximately $78.6 million. The hotel is under development and is currently planned to be completed and opened for business in early 2024, as a 260-room Embassy Suites. As of December 31, 2021, a $0.9 million contract deposit (refundable if the seller does not meet its obligations under the contract) had been paid. The Company plans to utilize its available cash or borrowings under its unsecured credit facilities available at closing to purchase the hotel under contract if closing occurs. Although the Company is working towards acquiring this hotel, there are a number of conditions to closing that have not yet been satisfied and there can be no assurances that closing on this hotel will occur under the outstanding purchase contract.

Note 13

Quarterly Financial Data (Unaudited)

The following is a summary of quarterly results of operations for the years ended December 31, 2021, 2020 and 2019 (in thousands, except per share data):

	2021			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenue	$ 158,713	$ 247,404	$ 277,164	$ 250,588
Net income (loss)	$ (46,435)	$ 20,283	$ 31,759	$ 13,221
Comprehensive income (loss)	$ (30,353)	$ 18,927	$ 35,185	$ 22,363
Basic and diluted net income (loss) per common share	$ (0.21)	$ 0.09	$ 0.14	$ 0.06

	2020			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenue	$ 238,010	$ 81,078	$ 148,826	$ 133,965
Net loss	$ (2,769)	$ (78,243)	$ (40,948)	$ (51,247)
Comprehensive loss	$ (44,935)	$ (82,438)	$ (38,209)	$ (45,729)
Basic and diluted net loss per common share	$ (0.01)	$ (0.35)	$ (0.18)	$ (0.23)

	2019			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenue	$ 303,787	$ 341,117	$ 331,722	$ 289,971
Net income	$ 38,151	$ 62,090	$ 46,223	$ 25,453
Comprehensive income	$ 32,107	$ 51,970	$ 42,030	$ 31,106
Basic and diluted net income per common share	$ 0.17	$ 0.28	$ 0.21	$ 0.11

Note 14

Subsequent Events

On January 18, 2022, the Company paid approximately $2.3 million, or $0.01 per outstanding common share, in distributions to its common shareholders.

On February 22, 2022, the Company declared a monthly cash distribution of $0.05 per common share for the month of March 2022. The distribution is payable on March 15, 2022, to shareholders of record as of March 4, 2022.

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

None.

Item 9A. Controls and Procedures

Senior management, including the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation process, the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer have concluded that the Company's disclosure controls and procedures were effective as of December 31, 2021. There have been no changes in the Company's internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

See Item 8 for the Report of Management on Internal Control over Financial Reporting and the Company's Independent Registered Public Accounting Firm's attestation report regarding internal control over financial reporting, which are incorporated herein by reference.

Item 9B. Other Information

None.

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 Items 401, 405, 406 and 407(c)(3), (d)(4) and (d)(5) of Regulation S-K will be set forth in the Company's definitive proxy statement for its 2022 Annual Meeting of Shareholders (the "2022 Proxy Statement"). For the limited purpose of providing the information necessary to comply with this Item 10, the 2022 Proxy Statement is incorporated herein by this reference.

Item 11. Executive Compensation

The information required by Items 402 and 407(e)(4) and (e)(5) of Regulation S-K will be set forth in the Company's 2022 Proxy Statement. For the limited purpose of providing the information necessary to comply with this Item 11, the 2022 Proxy Statement is incorporated herein by this reference.

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

The information required by Items 201(d) and 403 of Regulation S-K will be set forth in the Company's 2022 Proxy Statement. For the limited purpose of providing the information necessary to comply with this Item 12, the 2022 Proxy Statement is incorporated herein by this reference.

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

The information required by Items 404 and 407(a) of Regulation S-K will be set forth in the Company's 2022 Proxy Statement. For the limited purpose of providing the information necessary to comply with this Item 13, the 2022 Proxy Statement is incorporated herein by this reference.

Item 14. Principal Accounting Fees and Services

The information required by Item 9(e) of Schedule 14A will be set forth in the Company's 2022 Proxy Statement. For the limited purpose of providing the information necessary to comply with this Item 14, the 2022 Proxy Statement is incorporated herein by this reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

1. Financial Statements of Apple Hospitality REIT, Inc.

Report of Management on Internal Control over Financial Reporting

Report of Independent Registered Public Accounting Firm—Ernst & Young LLP (PCAOB ID: 42)

Report of Independent Registered Public Accounting Firm—Ernst & Young LLP (PCAOB ID: 42)

Consolidated Balance Sheets as of December 31, 2021 and 2020

Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2021, 2020 and 2019

Consolidated Statements of Shareholders' Equity for the years ended December 31, 2021, 2020 and 2019

Consolidated Statements of Cash Flows for the years ended December 31, 2021, 2020 and 2019

Notes to Consolidated Financial Statements

These financial statements are set forth in Item 8 of this report and are hereby incorporated by reference.

2. Financial Statement Schedules

Schedule III—Real Estate and Accumulated Depreciation and Amortization (Included at the end of this Part IV of this report.)

Financial statement schedules not listed are either omitted because they are not applicable, or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibit Listing

Exhibit Number	Description of Documents
3.1	Amended and Restated Articles of Incorporation of the Company, as amended (Incorporated by reference to Exhibit 3.1 to the Company's quarterly report on Form 10-Q (SEC File No. 001-37389) filed August 6, 2018)
3.2	Third Amended and Restated Bylaws of the Company (Incorporated by reference to Exhibit 3.2 to the Company's quarterly report on Form 10-Q (SEC File No. 001-37389) filed May 18, 2020)
4.1	Description of Securities Registered Under Section 12 of the Exchange Act **(FILED HEREWITH)**
10.1*	The Company's 2008 Non-Employee Directors Stock Option Plan (Incorporated by reference to Exhibit 10.4 to the Company's quarterly report on Form 10-Q (SEC File No. 333-147414) filed May 8, 2008)
10.2*	The Company's 2014 Omnibus Incentive Plan (Incorporated by reference to Exhibit 10.2 to the Company's current report on Form 8-K (SEC File No. 000-53603) filed June 4, 2014)
10.3*	The Company's Executive Severance Pay Plan (Incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K (SEC File No. 000-53603) filed June 4, 2014)
10.4*	First Amendment to the Company's Executive Severance Pay Plan (Incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K (SEC File No. 001-37389) filed March 27, 2019)

10.5*	Second Amendment to the Company's Executive Severance Pay Plan (Incorporated by reference to Exhibit 10.3 to the Company's current report on Form 8-K (SEC File No. 001-37389) filed March 5, 2020
10.6	Form of Restricted Stock Agreement (Incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K (SEC File No. 001-37389) filed February 18, 2016)
10.7*	Non-Employee Director Deferral Program Under the Company's 2014 Omnibus Incentive Plan (Incorporated by reference to Exhibit 10.1 to the Company's quarterly report on Form 10-Q (SEC File No. 001-37389) filed August 6, 2018)
10.8*	Separation Agreement and General Release, dated as of March 4, 2020 by and between the Company and Kristian Gathright (Incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K (SEC File No. 001-37389) filed March 5, 2020)
10.9*	Amendment, dated March 30, 2020, to Separation Agreement and General Release, dated March 4, 2020, by and between the Company and Kristian Gathright (Incorporated by reference to Exhibit 10.4 to the Company's quarterly report on Form 10-Q (SEC File No. 001-37389) filed May 18, 2020
10.10	Second Amended and Restated Credit Agreement dated as of July 27, 2018, among the Company, as borrower, certain subsidiaries of the Company, as guarantors, Bank of America, N.A., as Administrative Agent, KeyBank National Association and Wells Fargo Bank, National Association, as Co-Syndication Agents, U.S. Bank National Association, as Documentation Agent, Regions Bank as Managing Agent, the Lenders and Letter of Credit Issuers party thereto, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, KeyBanc Capital Markets, Wells Fargo Securities, LLC and U.S. Bank National Association, as Joint Lead Arrangers, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, KeyBanc Capital Markets and Wells Fargo Securities, LLC, as Joint Bookrunners (Incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K (SEC File No. 001-37389) filed August 1, 2018)
10.11	First Amendment, dated February 14, 2020, to Second Amended and Restated Credit Agreement dated as of July 27, 2018, among the Company, as borrower, certain subsidiaries of the Company, as guarantors, Bank of America, N.A., as Administrative Agent, KeyBank National Association and Wells Fargo Bank, National Association, as Co-Syndication Agents, U.S. Bank National Association, as Documentation Agent, Regions Bank as Managing Agent, the Lenders and Letter of Credit Issuers party thereto, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, KeyBanc Capital Markets, Wells Fargo Securities, LLC and U.S. Bank National Association, as Joint Lead Arrangers, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, KeyBanc Capital Markets and Wells Fargo Securities, LLC, as Joint Bookrunners (Incorporated by reference to Exhibit 10.6 to the Company's quarterly report on Form 10-Q (SEC File No. 001-37389) filed May 18, 2020)
10.12	Second Amendment, dated June 5, 2020, to Second Amended and Restated Credit Agreement dated as of July 27, 2018, among Apple Hospitality REIT, Inc., as borrower, certain subsidiaries of Apple Hospitality REIT, Inc., as guarantors, Bank of America, N.A., as Administrative Agent, KeyBank National Association and Wells Fargo Bank, National Association, as Co-Syndication Agents, U.S. Bank National Association, as Documentation Agent, Regions Bank as Managing Agent, the Lenders and Letter of Credit Issuers party thereto, and BofA Securities, Inc., KeyBanc Capital Markets, Wells Fargo Securities, LLC and U.S. Bank National Association, as Joint Lead Arrangers, and BofA Securities, Inc., KeyBanc Capital Markets and Wells Fargo Securities, LLC, as Joint Bookrunners (incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K (SEC File No. 001-37389) filed June 8, 2020)
10.13	Third Amendment to the Credit Agreement, dated March 1, 2021, to Second Amended and Restated Credit Agreement dated as of July 27, 2018, among Apple Hospitality REIT, Inc., as borrower, certain subsidiaries of Apple Hospitality REIT, Inc., as guarantors, Bank of America, N.A., as Administrative Agent, KeyBank National Association and Wells Fargo Bank, National Association, as Co-Syndication Agents, U.S. Bank National Association, as Documentation Agent, Regions Bank as Managing Agent, the Lenders and Letter of Credit Issuers party thereto, and BofA Securities, Inc., KeyBanc Capital Markets, Wells Fargo Securities, LLC and U.S. Bank National Association, as Joint Lead Arrangers, and BofA Securities, Inc., KeyBanc Capital Markets and Wells Fargo Securities, LLC, as Joint Bookrunners (Incorporated by reference to Exhibit 10.1 to the Company's current report on From 8-K/A (SEC File No. 001-37389) filed March 2, 2021)

10.14	Fourth Amendment to the Credit Agreement, dated June 4, 2021, to Second Amended and Restated Credit Agreement dated as of July 27, 2018, among Apple Hospitality REIT, Inc., as borrower, certain subsidiaries of Apple Hospitality REIT, Inc., as guarantors, Bank of America, N.A., as Administrative Agent, KeyBank National Association and Wells Fargo Bank, National Association, as Co-Syndication Agents, U.S. Bank National Association, as Documentation Agent, Regions Bank as Managing Agent, the Lenders and Letter of Credit Issuers party thereto, and BofA Securities, Inc., KeyBanc Capital Markets, Wells Fargo Securities, LLC and U.S. Bank National Association, as Joint Lead Arrangers, and BofA Securities, Inc., KeyBanc Capital Markets and Wells Fargo Securities, LLC, as Joint Bookrunners **(FILED HEREWITH)**
21.1	Subsidiaries of the Company **(FILED HEREWITH)**
23.1	Consent of Ernst & Young LLP **(FILED HEREWITH)**
31.1	Certification of the Company's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 **(FILED HEREWITH)**
31.2	Certification of the Company's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 **(FILED HEREWITH)**
31.3	Certification of the Company's Chief Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 **(FILED HEREWITH)**
32.1	Certification of the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 **(FURNISHED HEREWITH)**
101	The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2021 formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations and Comprehensive Income, (iii) the Consolidated Statements of Shareholders' Equity, (iv) the Consolidated Statements of Cash Flows, and (v) related notes to these financial statements, tagged as blocks of text and in detail **(FILED HEREWITH)**
104	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2021, formatted in iXBRL and contained in Exhibit 101.

* Denotes Management Contract or Compensation Plan.

Item 16. Form 10-K Summary

None.

SCHEDULE III
Real Estate and Accumulated Depreciation and Amortization
As of December 31, 2021
(dollars in thousands)

City	State	Description	Encumbrances	Initial Cost		Subsequently Capitalized	Total Gross Cost (2)	Acc. Deprec.	Date of Construction	Date Acquired	Depreciable Life	# of Rooms
				Land (1)	Bldg./ FF&E /Other	Bldg. Imp. & FF&E						
Anchorage	AK	Embassy Suites	$ 17,959	$ 2,955	$ 39,053	$ 4,410	$ 46,418	$ (16,778)	2008	Apr-10	3 - 39 yrs.	169
Anchorage	AK	Home2 Suites	-	2,683	21,606	37	24,326	(3,198)	2015	Dec-17	3 - 39 yrs.	135
Auburn	AL	Hilton Garden Inn	-	1,580	9,659	735	11,974	(3,316)	2001	Mar-14	3 - 39 yrs.	101
Birmingham	AL	Courtyard	-	2,310	6,425	1,416	10,151	(2,458)	2007	Mar-14	3 - 39 yrs.	84
Birmingham	AL	Hilton Garden Inn	-	3,425	15,555	14	18,994	(2,634)	2017	Sep-17	3 - 39 yrs.	104
Birmingham	AL	Home2 Suites	-	3,491	15,603	14	19,108	(2,527)	2017	Sep-17	3 - 39 yrs.	106
Birmingham	AL	Homewood Suites	-	1,010	12,981	2,038	16,029	(4,423)	2005	Mar-14	3 - 39 yrs.	95
Dothan	AL	Hilton Garden Inn	-	1,037	10,581	1,713	13,331	(5,059)	2009	Jun-09	3 - 39 yrs.	104
Dothan	AL	Residence Inn	-	970	13,185	1,148	15,303	(3,700)	2008	Mar-14	3 - 39 yrs.	84
Huntsville	AL	Hampton	-	550	11,962	88	12,600	(2,269)	2013	Sep-16	3 - 39 yrs.	98
Huntsville	AL	Hilton Garden Inn	-	890	11,227	599	12,716	(3,428)	2005	Mar-14	3 - 39 yrs.	101
Huntsville	AL	Home2 Suites	-	490	10,840	126	11,456	(2,037)	2013	Sep-16	3 - 39 yrs.	77
Huntsville	AL	Homewood Suites	6,473	210	15,654	2,122	17,986	(4,994)	2006	Mar-14	3 - 39 yrs.	107
Mobile	AL	Hampton	-	- (1)	11,452	480	11,932	(2,266)	2006	Sep-16	3 - 39 yrs.	101
Prattville	AL	Courtyard	5,141	2,050	9,101	1,035	12,186	(2,981)	2007	Mar-14	3 - 39 yrs.	84
Rogers	AR	Hampton	-	911	8,483	4,177	13,571	(4,521)	1998	Aug-10	3 - 39 yrs.	122
Rogers	AR	Homewood Suites	-	1,375	9,514	2,460	13,349	(5,676)	2006	Apr-10	3 - 39 yrs.	126
Chandler	AZ	Courtyard	-	1,061	16,008	1,722	18,791	(6,587)	2009	Nov-10	3 - 39 yrs.	150
Chandler	AZ	Fairfield	-	778	11,272	1,085	13,135	(4,514)	2009	Nov-10	3 - 39 yrs.	110
Phoenix	AZ	Courtyard	-	1,413	14,669	2,676	18,758	(6,952)	2007	Nov-10	3 - 39 yrs.	164
Phoenix	AZ	Hampton	-	- (1)	15,209	463	15,672	(3,110)	2008	Sep-16	3 - 39 yrs.	125
Phoenix	AZ	Hampton	-	3,406	41,174	12	44,592	(5,333)	2018	May-18	3 - 39 yrs.	210
Phoenix	AZ	Homewood Suites	-	- (1)	18,907	300	19,207	(3,915)	2008	Sep-16	3 - 39 yrs.	134
Phoenix	AZ	Residence Inn	-	1,111	12,953	1,910	15,974	(5,893)	2008	Nov-10	3 - 39 yrs.	129
Scottsdale	AZ	Hilton Garden Inn	-	6,000	26,861	478	33,339	(4,534)	2005	Sep-16	3 - 39 yrs.	122
Tempe	AZ	Hyatt House	-	- (1)	24,001	-	24,001	(1,273)	2020	Aug-20	3 - 39 yrs.	105
Tempe	AZ	Hyatt Place	-	- (1)	34,893	4	34,897	(1,805)	2020	Aug-20	3 - 39 yrs.	154
Tucson	AZ	Hilton Garden Inn	-	1,005	17,925	2,120	21,050	(8,542)	2008	Jul-08	3 - 39 yrs.	125
Tucson	AZ	Residence Inn	-	2,080	12,424	1,847	16,351	(4,244)	2008	Mar-14	3 - 39 yrs.	124
Tucson	AZ	TownePlace Suites	-	992	14,543	298	15,833	(4,854)	2011	Oct-11	3 - 39 yrs.	124
Agoura Hills	CA	Homewood Suites	-	3,430	21,290	2,501	27,221	(6,754)	2007	Mar-14	3 - 39 yrs.	125

				Initial Cost		Capitalized					
City	State	Description	Encumbrances	Land (1)	Bldg./ FF&E /Other	Bldg. Imp. & FF&E	Total Gross Cost (2)	Acc. Deprec.	Date of Construction	Date Acquired	Depreciable Life	# of Rooms
Burbank	CA	Courtyard	22,098	12,916	41,218	991	55,125	(9,044)	2002	Aug-15	3 - 39 yrs.	190
Burbank	CA	Residence Inn	-	32,270	41,559	3,020	76,849	(11,561)	2007	Mar-14	3 - 39 yrs.	166
Burbank	CA	SpringHill Suites	25,845	10,734	49,181	188	60,103	(10,047)	2015	Jul-15	3 - 39 yrs.	170
Clovis	CA	Hampton	-	1,287	9,888	1,314	12,489	(4,488)	2009	Jul-09	3 - 39 yrs.	86
Clovis	CA	Homewood Suites	-	1,500	10,970	1,834	14,304	(4,909)	2010	Feb-10	3 - 39 yrs.	83
Cypress	CA	Courtyard	-	4,410	35,033	1,590	41,033	(10,054)	1988	Mar-14	3 - 39 yrs.	180
Cypress	CA	Hampton	-	3,209	16,749	2,319	22,277	(4,708)	2006	Jun-15	3 - 39 yrs.	110
Oceanside	CA	Courtyard	12,318	3,080	25,769	2,214	31,063	(4,857)	2011	Sep-16	3 - 39 yrs.	142
Oceanside	CA	Residence Inn	-	7,790	24,048	2,259	34,097	(7,004)	2007	Mar-14	3 - 39 yrs.	125
Rancho Bernardo/San Diego	CA	Courtyard	11,954	16,380	28,952	937	46,269	(8,417)	1987	Mar-14	3 - 39 yrs.	210
Sacramento	CA	Hilton Garden Inn	-	5,920	21,515	3,932	31,367	(7,773)	1999	Mar-14	3 - 39 yrs.	153
San Bernardino	CA	Residence Inn	-	1,490	13,662	1,996	17,148	(5,763)	2006	Feb-11	3 - 39 yrs.	95
San Diego	CA	Courtyard	22,019	11,268	44,851	1,049	57,168	(10,172)	2002	Sep-15	3 - 39 yrs.	245
San Diego	CA	Hampton	16,392	13,570	36,644	3,233	53,447	(10,278)	2001	Mar-14	3 - 39 yrs.	177
San Diego	CA	Hilton Garden Inn	-	8,020	29,151	2,915	40,086	(8,258)	2004	Mar-14	3 - 39 yrs.	200
San Diego	CA	Residence Inn	14,456	22,400	20,640	523	43,563	(6,509)	1999	Mar-14	3 - 39 yrs.	121
San Jose	CA	Homewood Suites	26,303	12,860	28,084	5,245	46,189	(11,092)	1991	Mar-14	3 - 39 yrs.	140
San Juan Capistrano	CA	Residence Inn	-	- (1)	32,292	1,045	33,337	(5,613)	2012	Sep-16	3 - 39 yrs.	130
Santa Ana	CA	Courtyard	14,098	3,082	21,051	2,215	26,348	(7,749)	2011	May-11	3 - 39 yrs.	155
Santa Clarita	CA	Courtyard	-	4,568	18,721	2,816	26,105	(9,528)	2007	Sep-08	3 - 39 yrs.	140
Santa Clarita	CA	Fairfield	-	1,864	7,753	2,005	11,622	(4,495)	1997	Oct-08	3 - 39 yrs.	66
Santa Clarita	CA	Hampton	-	1,812	15,761	6,324	23,897	(9,454)	1988	Oct-08	3 - 39 yrs.	128
Santa Clarita	CA	Residence Inn	-	2,539	14,493	4,274	21,306	(8,996)	1997	Oct-08	3 - 39 yrs.	90
Tustin	CA	Fairfield	-	7,700	26,580	184	34,464	(4,596)	2013	Sep-16	3 - 39 yrs.	145
Tustin	CA	Residence Inn	-	11,680	33,645	204	45,529	(5,972)	2013	Sep-16	3 - 39 yrs.	149
Colorado Springs	CO	Hampton	-	1,780	15,860	510	18,150	(3,089)	2008	Sep-16	3 - 39 yrs.	101
Denver	CO	Hilton Garden Inn	29,415	9,940	57,595	1,775	69,310	(10,863)	2007	Sep-16	3 - 39 yrs.	221
Highlands Ranch	CO	Hilton Garden Inn	-	5,480	20,465	549	26,494	(5,437)	2006	Mar-14	3 - 39 yrs.	128
Highlands Ranch	CO	Residence Inn	-	5,350	19,167	3,444	27,961	(7,362)	1996	Mar-14	3 - 39 yrs.	117
Boca Raton	FL	Hilton Garden Inn	-	7,220	22,177	792	30,189	(4,238)	2002	Sep-16	3 - 39 yrs.	149
Cape Canaveral	FL	Homewood Suites	-	2,780	23,967	43	26,790	(4,889)	2016	Sep-16	3 - 39 yrs.	153
Cape Canaveral	FL	Hampton	-	2,594	20,951	1	23,546	(1,345)	2020	Apr-20	3 - 39 yrs.	116
Cape Canaveral	FL	Home2 Suites	-	2,415	19,668	1	22,084	(1,293)	2020	Apr-20	3 - 39 yrs.	108
Fort Lauderdale	FL	Hampton	-	1,793	21,357	5,130	28,280	(7,304)	2002	Jun-15	3 - 39 yrs.	156
Fort Lauderdale	FL	Residence Inn	-	5,760	26,727	209	32,696	(4,977)	2014	Sep-16	3 - 39 yrs.	156
Gainesville	FL	Hilton Garden Inn	-	1,300	17,322	542	19,164	(3,221)	2007	Sep-16	3 - 39 yrs.	104
Gainesville	FL	Homewood Suites	-	1,740	16,329	605	18,674	(3,281)	2005	Sep-16	3 - 39 yrs.	103
Jacksonville	FL	Homewood Suites	-	9,480	21,247	2,727	33,454	(7,683)	2005	Mar-14	3 - 39 yrs.	119
Jacksonville	FL	Hyatt Place	-	2,013	13,533	582	16,128	(1,725)	2009	Dec-18	3 - 39 yrs.	127
Miami	FL	Courtyard	-	- (1)	31,488	1,937	33,425	(8,420)	2008	Mar-14	3 - 39 yrs.	118

City	State	Description	Encumbrances	Initial Cost		Subsequently Capitalized	Total Gross Cost (2)	Acc. Deprec.	Date of Construction	Date Acquired	Depreciable Life	# of Rooms
				Land (1)	Bldg./ FF&E /Other	Bldg. Imp. & FF&E						
Miami	FL	Hampton	-	1,972	9,987	6,488	18,447	(7,452)	2000	Apr-10	3 - 39 yrs.	121
Miami	FL	Homewood Suites	13,000	18,820	25,375	4,521	48,716	(9,399)	2000	Mar-14	3 - 39 yrs.	162
Orlando	FL	Fairfield	-	3,140	22,580	3,082	28,802	(10,097)	2009	Jul-09	3 - 39 yrs.	200
Orlando	FL	Home2 Suites	-	2,731	18,063	81	20,875	(2,089)	2019	Mar-19	3 - 39 yrs.	128
Orlando	FL	SpringHill Suites	-	3,141	25,779	2,960	31,880	(11,426)	2009	Jul-09	3 - 39 yrs.	200
Panama City	FL	Hampton	-	1,605	9,995	1,335	12,935	(4,756)	2009	Mar-09	3 - 39 yrs.	95
Panama City	FL	TownePlace Suites	-	908	9,549	458	10,915	(3,846)	2010	Jan-10	3 - 39 yrs.	103
Pensacola	FL	TownePlace Suites	-	1,770	12,562	303	14,635	(2,408)	2008	Sep-16	3 - 39 yrs.	97
Tallahassee	FL	Fairfield	-	960	11,734	660	13,354	(2,050)	2011	Sep-16	3 - 39 yrs.	97
Tallahassee	FL	Hilton Garden Inn	-	- (1)	10,938	438	11,376	(3,217)	2006	Mar-14	3 - 39 yrs.	85
Tampa	FL	Embassy Suites	-	1,824	20,034	3,475	25,333	(9,097)	2007	Nov-10	3 - 39 yrs.	147
Atlanta / Downtown	GA	Hampton	-	7,861	16,374	3,715	27,950	(3,197)	1999	Feb-18	3 - 39 yrs.	119
Atlanta / Perimeter Dunwoody	GA	Hampton	-	3,228	26,498	31	29,757	(3,178)	2016	Jun-18	3 - 39 yrs.	132
Atlanta	GA	Home2 Suites	-	740	23,122	1,064	24,926	(4,700)	2016	Jul-16	3 - 39 yrs.	128
Macon	GA	Hilton Garden Inn	-	- (1)	15,043	611	15,654	(4,262)	2007	Mar-14	3 - 39 yrs.	101
Savannah	GA	Hilton Garden Inn	-	- (1)	14,716	2,255	16,971	(4,689)	2004	Mar-14	3 - 39 yrs.	105
Cedar Rapids	IA	Hampton	-	1,590	11,364	244	13,198	(2,455)	2009	Sep-16	3 - 39 yrs.	103
Cedar Rapids	IA	Homewood Suites	-	1,770	13,116	2,098	16,984	(3,059)	2010	Sep-16	3 - 39 yrs.	95
Davenport	IA	Hampton	-	400	16,915	752	18,067	(3,387)	2007	Sep-16	3 - 39 yrs.	103
Boise	ID	Hampton	21,680	1,335	21,114	3,162	25,611	(9,790)	2007	Apr-10	3 - 39 yrs.	186
Des Plaines	IL	Hilton Garden Inn	-	10,000	38,116	2,131	50,247	(6,664)	2005	Sep-16	3 - 39 yrs.	252
Hoffman Estates	IL	Hilton Garden Inn	-	1,770	14,373	892	17,035	(3,121)	2000	Sep-16	3 - 39 yrs.	184
Mettawa	IL	Hilton Garden Inn	-	2,246	28,328	2,764	33,338	(10,895)	2008	Nov-10	3 - 39 yrs.	170
Mettawa	IL	Residence Inn	-	1,722	21,843	1,944	25,509	(8,246)	2008	Nov-10	3 - 39 yrs.	130
Rosemont	IL	Hampton	-	3,410	23,594	95	27,099	(4,600)	2015	Sep-16	3 - 39 yrs.	158
Skokie	IL	Hampton	-	2,593	31,284	3,230	37,107	(6,216)	2000	Sep-16	3 - 39 yrs.	225
Warrenville	IL	Hilton Garden Inn	-	1,171	20,894	2,711	24,776	(8,458)	2008	Nov-10	3 - 39 yrs.	135
Indianapolis	IN	SpringHill Suites	-	1,310	11,542	2,154	15,006	(5,259)	2007	Nov-10	3 - 39 yrs.	130
Merrillville	IN	Hilton Garden Inn	-	1,860	17,755	694	20,309	(3,483)	2008	Sep-16	3 - 39 yrs.	124
Mishawaka	IN	Residence Inn	-	898	12,862	1,557	15,317	(5,264)	2007	Nov-10	3 - 39 yrs.	106
South Bend	IN	Fairfield	-	2,090	23,361	1,403	26,854	(4,258)	2010	Sep-16	3 - 39 yrs.	119
Overland Park	KS	Fairfield	-	1,230	11,713	1,505	14,448	(3,534)	2008	Mar-14	3 - 39 yrs.	110
Overland Park	KS	Residence Inn	-	1,790	20,633	3,027	25,450	(7,649)	2000	Mar-14	3 - 39 yrs.	120
Wichita	KS	Courtyard	-	1,940	9,739	1,165	12,844	(3,936)	2000	Mar-14	3 - 39 yrs.	90
Lafayette	LA	Hilton Garden Inn	-	- (1)	17,898	5,079	22,977	(8,592)	2006	Jul-10	3 - 39 yrs.	153
Lafayette	LA	SpringHill Suites	-	709	9,400	901	11,010	(3,384)	2011	Jun-11	3 - 39 yrs.	103

City	State	Description	Encumbrances	Initial Cost		Subsequently Capitalized		Total Gross Cost (2)	Acc. Deprec.	Date of Construction	Date Acquired	Depreciable Life	# of Rooms
				Land (1)	Bldg./ FF&E /Other	Bldg. Imp. & FF&E							
New Orleans	LA	Homewood Suites	21,981	4,150	52,258	5,499		61,907	(15,112)	2002	Mar-14	3 - 39 yrs.	166
Marlborough	MA	Residence Inn	-	3,480	17,341	1,917		22,738	(5,660)	2006	Mar-14	3 - 39 yrs.	112
Westford	MA	Hampton	-	3,410	16,320	1,646		21,376	(4,837)	2007	Mar-14	3 - 39 yrs.	110
Westford	MA	Residence Inn	8,320	1,760	20,791	4,444		26,995	(6,753)	2001	Mar-14	3 - 39 yrs.	108
Annapolis	MD	Hilton Garden Inn	-	4,350	13,974	1,935		20,259	(4,946)	2007	Mar-14	3 - 39 yrs.	126
Silver Spring	MD	Hilton Garden Inn	-	1,361	16,094	1,736		19,191	(6,320)	2010	Jul-10	3 - 39 yrs.	107
Portland	ME	AC Hotels	-	6,767	61,602	3		68,372	(781)	2018	Aug-21	3 - 39 yrs.	178
Portland	ME	Aloft Hotel	-	6,002	47,213	3		53,218	(544)	2021	Sep-21	3 - 39 yrs.	157
Portland	ME	Residence Inn	33,500	4,440	51,534	810		56,784	(6,888)	2009	Oct-17	3 - 39 yrs.	179
Novi	MI	Hilton Garden Inn	-	1,213	15,052	2,318		18,583	(6,714)	2008	Nov-10	3 - 39 yrs.	148
Maple Grove	MN	Hilton Garden Inn	-	1,560	13,717	3,279		18,556	(3,433)	2003	Sep-16	3 - 39 yrs.	121
Rochester	MN	Hampton	-	916	13,225	2,463		16,604	(6,397)	2009	Aug-09	3 - 39 yrs.	124
St. Paul	MN	Hampton	-	2,523	29,365	23		31,911	(2,833)	2016	Mar-19	3 - 39 yrs.	160
Kansas City	MO	Hampton	-	727	9,363	1,745		11,835	(4,510)	1999	Aug-10	3 - 39 yrs.	122
Kansas City	MO	Residence Inn	-	2,000	20,818	3,568		26,386	(6,882)	2002	Mar-14	3 - 39 yrs.	106
St. Louis	MO	Hampton	-	1,758	20,954	10,461		33,173	(12,393)	2003	Aug-10	3 - 39 yrs.	190
St. Louis	MO	Hampton	-	758	15,287	2,305		18,350	(6,849)	2006	Apr-10	3 - 39 yrs.	126
Hattiesburg	MS	Courtyard	4,550	1,390	11,324	1,371		14,085	(3,415)	2006	Mar-14	3 - 39 yrs.	84
Hattiesburg	MS	Residence Inn	-	906	9,151	1,117		11,174	(4,418)	2008	Dec-08	3 - 39 yrs.	84
Carolina Beach	NC	Courtyard	-	7,490	31,588	4,257		43,335	(9,417)	2003	Mar-14	3 - 39 yrs.	144
Charlotte	NC	Fairfield	-	1,030	11,111	1,207		13,348	(2,440)	2010	Sep-16	3 - 39 yrs.	94
Durham	NC	Homewood Suites	-	1,232	18,343	5,378		24,953	(10,768)	1999	Dec-08	3 - 39 yrs.	122
Fayetteville	NC	Home2 Suites	-	746	10,563	1,237		12,546	(4,474)	2011	Feb-11	3 - 39 yrs.	118
Greensboro	NC	SpringHill Suites	-	1,850	10,157	515		12,522	(3,131)	2004	Mar-14	3 - 39 yrs.	82
Jacksonville	NC	Home2 Suites	-	910	12,527	238		13,675	(2,365)	2012	Sep-16	3 - 39 yrs.	105
Wilmington	NC	Fairfield	-	1,310	13,034	1,275		15,619	(3,848)	2008	Mar-14	3 - 39 yrs.	122
Winston-Salem	NC	Hampton	-	2,170	14,268	1,069		17,507	(2,514)	2010	Sep-16	3 - 39 yrs.	94
Omaha	NE	Courtyard	-	6,700	36,829	6,111		49,640	(11,461)	1999	Mar-14	3 - 39 yrs.	181
Omaha	NE	Hampton	-	1,710	22,636	322		24,668	(4,202)	2007	Sep-16	3 - 39 yrs.	139
Omaha	NE	Hilton Garden Inn	20,460	1,620	35,962	1,998		39,580	(6,462)	2001	Sep-16	3 - 39 yrs.	178
Omaha	NE	Homewood Suites	-	1,890	22,014	308		24,212	(4,373)	2008	Sep-16	3 - 39 yrs.	123
Cranford	NJ	Homewood Suites	-	4,550	23,828	3,973		32,351	(8,393)	2000	Mar-14	3 - 39 yrs.	108
Mahwah	NJ	Homewood Suites	-	3,220	22,742	4,384		30,346	(8,147)	2001	Mar-14	3 - 39 yrs.	110
Mount Laurel	NJ	Homewood Suites	-	1,589	13,476	6,314		21,379	(7,156)	2006	Jan-11	3 - 39 yrs.	118
Somerset	NJ	Courtyard	6,903	- (1)	27,133	3,945		31,078	(11,165)	2002	Mar-14	3 - 25 yrs.	162
West Orange	NJ	Courtyard	-	2,054	19,513	4,001		25,568	(8,298)	2005	Jan-11	3 - 39 yrs.	131
Islip/Ronkonkoma	NY	Hilton Garden Inn	-	6,510	28,718	6,292		41,520	(9,090)	2003	Mar-14	3 - 39 yrs.	166
New York	NY	Independent	-	- (1)	102,832	(72,422)	(3)	30,410	(17,630)	1916	Mar-14	3 - 32 yrs.	208
Syracuse	NY	Courtyard	-	812	23,278	117		24,207	(4,758)	2013	Oct-15	3 - 39 yrs.	102
Syracuse	NY	Residence Inn	-	621	17,589	115		18,325	(3,750)	2013	Oct-15	3 - 39 yrs.	78

City	State	Description	Encumbrances	Initial Cost		Subsequently Capitalized	Total Gross Cost (2)	Acc. Deprec.	Date of Construction	Date Acquired	Depreciable Life	# of Rooms
				Land (1)	Bldg./ FF&E /Other	Bldg. Imp. & FF&E						
Mason	OH	Hilton Garden Inn	-	1,120	16,770	1,158	19,048	(3,446)	2010	Sep-16	3 - 39 yrs.	110
Twinsburg	OH	Hilton Garden Inn	-	1,419	16,614	3,957	21,990	(9,370)	1999	Oct-08	3 - 39 yrs.	142
Oklahoma City	OK	Hampton	-	1,430	31,327	2,239	34,996	(12,084)	2009	May-10	3 - 39 yrs.	200
Oklahoma City	OK	Hilton Garden Inn	-	1,270	32,700	197	34,167	(5,675)	2014	Sep-16	3 - 39 yrs.	155
Oklahoma City	OK	Homewood Suites	-	760	20,056	15	20,831	(3,604)	2014	Sep-16	3 - 39 yrs.	100
Oklahoma City (West)	OK	Homewood Suites	-	1,280	13,340	426	15,046	(3,082)	2008	Sep-16	3 - 39 yrs.	90
Portland	OR	Hampton	-	10,813	64,409	-	75,222	(317)	2017	Nov-21	3 - 39 yrs.	243
Collegeville/Philadelphia	PA	Courtyard	9,720	2,115	17,953	4,674	24,742	(8,244)	2005	Nov-10	3 - 39 yrs.	132
Malvern/Philadelphia	PA	Courtyard	-	996	20,374	2,249	23,619	(8,053)	2007	Nov-10	3 - 39 yrs.	127
Pittsburgh	PA	Hampton	-	2,503	18,537	4,945	25,985	(10,069)	1991	Dec-08	3 - 39 yrs.	132
Charleston	SC	Home2 Suites	-	3,250	16,778	1,662	21,690	(3,327)	2011	Sep-16	3 - 39 yrs.	122
Columbia	SC	Hilton Garden Inn	-	3,540	16,399	910	20,849	(5,391)	2006	Mar-14	3 - 39 yrs.	143
Columbia	SC	TownePlace Suites	-	1,330	10,839	1,270	13,439	(2,463)	2009	Sep-16	3 - 39 yrs.	91
Greenville	SC	Hyatt Place	-	2,802	27,696	3	30,501	(304)	2018	Sep-21	3 - 39 yrs.	130
Hilton Head	SC	Hilton Garden Inn	-	3,600	11,386	2,576	17,562	(4,158)	2001	Mar-14	3 - 39 yrs.	104
Chattanooga	TN	Homewood Suites	-	1,410	9,361	2,881	13,652	(4,366)	1997	Mar-14	3 - 39 yrs.	76
Franklin	TN	Courtyard	-	2,510	31,341	708	34,559	(5,490)	2008	Sep-16	3 - 39 yrs.	126
Franklin	TN	Residence Inn	-	2,970	29,208	1,526	33,704	(5,478)	2009	Sep-16	3 - 39 yrs.	124
Knoxville	TN	Homewood Suites	-	2,160	14,704	280	17,144	(2,977)	2005	Sep-16	3 - 39 yrs.	103
Knoxville	TN	SpringHill Suites	-	1,840	12,441	340	14,621	(2,505)	2006	Sep-16	3 - 39 yrs.	103
Knoxville	TN	TownePlace Suites	-	1,190	7,920	1,484	10,594	(2,313)	2003	Sep-16	3 - 39 yrs.	97
Memphis	TN	Hampton	-	2,449	37,097	4,514	44,060	(5,881)	2000	Feb-18	3 - 39 yrs.	144
Memphis	TN	Hilton Garden Inn	-	4,500	33,679	3	38,182	(273)	2019	Oct-21	3 - 39 yrs.	150
Nashville	TN	Hilton Garden Inn	-	2,754	39,997	4,087	46,838	(15,980)	2009	Sep-10	3 - 39 yrs.	194
Nashville	TN	Home2 Suites	-	1,153	15,206	1,438	17,797	(5,359)	2012	May-12	3 - 39 yrs.	119
Nashville	TN	TownePlace Suites	-	7,390	13,929	1,281	22,600	(2,766)	2012	Sep-16	3 - 39 yrs.	101
Addison	TX	SpringHill Suites	-	1,210	19,700	3,028	23,938	(6,875)	2003	Mar-14	3 - 39 yrs.	159
Arlington	TX	Hampton	-	1,217	8,738	1,665	11,620	(4,089)	2007	Dec-10	3 - 39 yrs.	98
Austin	TX	Courtyard	-	1,579	18,487	2,110	22,176	(7,099)	2009	Nov-10	3 - 39 yrs.	145
Austin	TX	Fairfield	-	1,306	16,504	1,944	19,754	(6,491)	2009	Nov-10	3 - 39 yrs.	150
Austin	TX	Hampton	-	1,459	17,184	5,496	24,139	(9,225)	1996	Apr-09	3 - 39 yrs.	124
Austin	TX	Hilton Garden Inn	-	1,614	14,451	2,234	18,299	(6,353)	2008	Nov-10	3 - 39 yrs.	117
Austin	TX	Homewood Suites	-	1,898	16,462	6,263	24,623	(9,229)	1997	Apr-09	3 - 39 yrs.	97

City	State	Description	Encumbrances	Initial Cost		Subsequently Capitalized	Total Gross Cost (2)	Acc. Deprec.	Date of Construction	Date Acquired	Depreciable Life	# of Rooms
				Land (1)	Bldg./ FF&E /Other	Bldg. Imp. & FF&E						
Denton	TX	Homewood Suites	-	990	14,895	352	16,237	(3,273)	2009	Sep-16	3 - 39 yrs.	107
El Paso	TX	Homewood Suites	-	2,800	16,657	1,984	21,441	(5,260)	2008	Mar-14	3 - 39 yrs.	114
Fort Worth	TX	Courtyard	-	2,313	15,825	123	18,261	(3,058)	2017	Feb-17	3 - 39 yrs.	124
Fort Worth	TX	Hilton Garden Inn	-	4,637	25,073	-	29,710	(121)	2012	Nov-21	3 - 39 yrs.	157
Fort Worth	TX	Homewood Suites	-	3,309	18,397	-	21,706	(90)	2013	Nov-21	3 - 39 yrs.	112
Fort Worth	TX	TownePlace Suites	-	2,104	16,311	1,669	20,084	(6,400)	2010	Jul-10	3 - 39 yrs.	140
Frisco	TX	Hilton Garden Inn	-	2,507	12,981	1,622	17,110	(6,323)	2008	Dec-08	3 - 39 yrs.	102
Grapevine	TX	Hilton Garden Inn	9,075	1,522	15,543	2,016	19,081	(6,375)	2009	Sep-10	3 - 39 yrs.	110
Houston	TX	Courtyard	-	2,080	21,836	136	24,052	(4,080)	2012	Sep-16	3 - 39 yrs.	124
Houston	TX	Marriott	-	4,143	46,623	1,774	52,540	(17,518)	2010	Jan-10	3 - 39 yrs.	206
Houston	TX	Residence Inn	-	12,070	19,769	936	32,775	(6,486)	2006	Mar-14	3 - 39 yrs.	129
Houston	TX	Residence Inn	-	2,070	11,186	260	13,516	(2,416)	2012	Sep-16	3 - 39 yrs.	120
Lewisville	TX	Hilton Garden Inn	-	3,361	23,919	2,923	30,203	(12,075)	2007	Oct-08	3 - 39 yrs.	165
San Antonio	TX	TownePlace Suites	-	2,220	9,610	1,301	13,131	(3,392)	2007	Mar-14	3 - 39 yrs.	106
Shenandoah	TX	Courtyard	-	3,350	17,256	104	20,710	(3,285)	2014	Sep-16	3 - 39 yrs.	124
Stafford	TX	Homewood Suites	-	1,880	10,969	436	13,285	(3,798)	2006	Mar-14	3 - 39 yrs.	78
Texarkana	TX	Hampton	-	636	8,723	1,413	10,772	(3,855)	2004	Jan-11	3 - 39 yrs.	81
Provo	UT	Residence Inn	-	1,150	18,277	3,375	22,802	(6,364)	1996	Mar-14	3 - 39 yrs.	114
Salt Lake City	UT	Residence Inn	-	1,515	24,214	351	26,080	(3,470)	2014	Oct-17	3 - 39 yrs.	136
Salt Lake City	UT	SpringHill Suites	-	1,092	16,465	1,917	19,474	(6,576)	2009	Nov-10	3 - 39 yrs.	143
Alexandria	VA	Courtyard	-	6,860	19,681	4,136	30,677	(7,628)	1987	Mar-14	3 - 39 yrs.	178
Alexandria	VA	SpringHill Suites	-	5,968	-	20,949	26,917	(7,660)	2011	Mar-09	3 - 39 yrs.	155
Charlottesville	VA	Courtyard	-	21,130	27,737	2,426	51,293	(7,996)	2000	Mar-14	3 - 39 yrs.	139
Manassas	VA	Residence Inn	-	1,395	14,962	1,979	18,336	(6,120)	2006	Feb-11	3 - 39 yrs.	107
Richmond	VA	Courtyard	14,447	2,003	-	23,170	25,173	(6,339)	2014	Jul-12	3 - 39 yrs.	135
Richmond	VA	Independent	-	584	6,386	98	7,068	(432)	1988	Oct-19	3 - 39 yrs.	55
Richmond	VA	Marriott	-	- (1)	83,698	25,945	109,643	(29,851)	1984	Mar-14	3 - 39 yrs.	413
Richmond	VA	Residence Inn	14,447	1,113	-	12,783	13,896	(3,490)	2014	Jul-12	3 - 39 yrs.	75
Suffolk	VA	Courtyard	-	940	5,186	1,366	7,492	(2,457)	2007	Mar-14	3 - 39 yrs.	92
Suffolk	VA	TownePlace Suites	-	710	5,241	769	6,720	(2,042)	2007	Mar-14	3 - 39 yrs.	72
Virginia Beach	VA	Courtyard	-	10,580	29,140	3,735	43,455	(8,804)	1999	Mar-14	3 - 39 yrs.	141
Virginia Beach	VA	Courtyard	-	12,000	40,556	4,447	57,003	(11,651)	2002	Mar-14	3 - 39 yrs.	160
Kirkland	WA	Courtyard	9,640	18,950	25,028	930	44,908	(7,483)	2006	Mar-14	3 - 39 yrs.	150
Seattle	WA	Residence Inn	78,412 (4)	63,484	92,786	5,346	161,616	(27,813)	1991	Mar-14	3 - 39 yrs.	234
Tukwila	WA	Homewood Suites	7,440	8,130	16,659	4,571	29,360	(7,317)	1992	Mar-14	3 - 39 yrs.	106
Madison	WI	Hilton Garden Inn	-	2,593	47,152	-	49,745	(1,505)	2021	Feb-21	3 - 39 yrs.	176
Richmond	VA	Corporate Office	-	682	3,723	2,384	6,789	(2,731)	1893	May-13	3 - 39 yrs.	N/A
			$ 498,046	$ 794,899	$ 4,672,911	$ 418,553	$ 5,886,363	$ (1,302,246)				28,747

Investment in Real Estate:	2021	2020	2019
Balance as of January 1	$ 5,764,977	$ 5,682,550	$ 5,726,303
Acquisitions	430,155	104,496	59,652
Improvements	25,824	37,579	78,679
Dispositions	(336,905)	(57,417)	(159,685)
Assets Held for Sale (5)	13,066	2,866	(15,932)
Impairment of Depreciable Assets	(10,754)	(5,097)	(6,467)
Total Gross Cost as of December 31	5,886,363	5,764,977	5,682,550
Finance Ground Lease Assets as of December 31	102,084	203,617	197,617
Total Investment in Real Estate	$ 5,988,447	$ 5,968,594	$ 5,880,167

Accumulated Depreciation and Amortization:	2021	2020	2019
Accumulated Depreciation as of January 1	$ (1,224,832)	$ (1,049,996)	$ (909,893)
Depreciation Expense	(179,275)	(192,346)	(187,729)
Accumulated Depreciation on Dispositions	109,610	13,599	43,787
Assets Held for Sale (5)	(7,750)	3,911	3,839
Accumulated Depreciation as of December 31	(1,302,246)	(1,224,832)	(1,049,996)
Accumulated Amortization of Finance Leases as of December 31	(9,016)	(10,866)	(4,433)
Accumulated Depreciation and Amortization as of December 31	$ (1,311,262)	$ (1,235,698)	$ (1,054,429)

(1) Land is owned fee simple unless cost is $0, which means the property is subject to a ground lease.
(2) The aggregate cost for federal income tax purposes is approximately $5.4 billion at December 31, 2021 (unaudited).
(3) Amount includes a reduction in cost due to recognition of an impairment loss.
(4) Amount includes $22.4 million outstanding mortgage debt maturing on September 1, 2022 as well as the $56.0 million one year note payable used to acquire the fee interest in the land at the Seattle Residence Inn on August 16, 2021.
(5) As of December 31, 2021, the Company did not have any hotels classified as Held for Sale. The 2021 activity was due to the sale of a hotel previously identified as Held for Sale.

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.

Apple Hospitality REIT, Inc.

By: /s/ Justin G. Knight — Date: February 22, 2022
Justin G. Knight,
Chief Executive Officer (Principal Executive Officer)

By: /s/ Elizabeth S. Perkins — Date: February 22, 2022
Elizabeth S. Perkins,
Chief Financial Officer (Principal Financial Officer)

By: /s/ Rachel S. Labrecque — Date: February 22, 2022
Rachel S. Labrecque,
Chief Accounting Officer (Principal Accounting Officer)

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

By: /s/ Glade M. Knight — Date: February 22, 2022
Glade M. Knight, Executive Chairman and Director

By: /s/ Justin G. Knight — Date: February 22, 2022
Justin G. Knight,
Chief Executive Officer and Director (Principal Executive Officer)

By: /s/ Elizabeth S. Perkins — Date: February 22, 2022
Elizabeth S. Perkins,
Chief Financial Officer (Principal Financial Officer)

By: /s/ Rachel S. Labrecque — Date: February 22, 2022
Rachel S. Labrecque,
Chief Accounting Officer (Principal Accounting Officer)

By: /s/ Glenn W. Bunting, Jr. — Date: February 22, 2022
Glenn W. Bunting, Jr., Director

By: /s/ Jon A. Fosheim — Date: February 22, 2022
Jon A. Fosheim, Director

By: /s/ Kristian M. Gathright — Date: February 22, 2022
Kristian M. Gathright, Director

By: /s/ Blythe J. McGarvie — Date: February 22, 2022
Blythe J. McGarvie, Director

By: /s/ Daryl A. Nickel — Date: February 22, 2022
Daryl A. Nickel, Director

By: /s/ L. Hugh Redd — Date: February 22, 2022
L. Hugh Redd, Director

By: /s/ Howard E. Woolley — Date: February 22, 2022
Howard E. Woolley, Director

Exhibit 4.1

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

The following description sets forth certain material terms and provisions of our common shares, no par value per share, which is our only security registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Unless the context requires otherwise, references in this Exhibit 4.1 to "we," "our," "us" and "our company" refer to Apple Hospitality REIT, Inc., a Virginia corporation. This description also summarizes relevant provisions of the Virginia Stock Corporation Act and certain provisions of our amended and restated articles of incorporation, as amended (the "articles of incorporation") and our third amended and restated bylaws (the "bylaws"). The following summary does not purport to be complete and is subject to and qualified in its entirety by reference to applicable Virginia law and to our articles of incorporation and bylaws, each of which are incorporated by reference as exhibits to the Annual Report on Form 10-K of which this Exhibit 4.1 is a part. We encourage you to read our articles of incorporation, our bylaws and the applicable provisions of Virginia law for additional information.

General

Our articles of incorporation provide that we may issue up to 800,000,000 common shares, no par value per share, and 30,000,000 preferred shares, no par value per share, which are undesignated preferred shares. Our articles of incorporation authorize our board of directors, without shareholder approval, to amend our articles of incorporation to fix in whole or in part the preferences, limitations and relative rights, within the limits set forth in the Virginia Stock Corporation Act, of any series within the preferred shares prior to the issuance of any shares of that series. Under the Virginia Stock Corporation Act, shareholders generally are not liable for the corporation's debt or obligations.

Voting Rights of Common Shares

Subject to the provisions of our articles of incorporation and our bylaws regarding the restrictions on transfer and ownership of capital shares, each outstanding common share entitles the holder to one vote on all matters submitted to a vote of shareholders. The holders of our common shares have exclusive voting power with respect to the election of directors and for all other purposes, except as otherwise required by law or as provided in our articles of incorporation with respect to any series of preferred shares then outstanding. There is no cumulative voting in the election of directors. Directors are elected by the plurality of votes cast and entitled to vote in the election of directors; provided, that if an incumbent director fails to receive at least a majority of the votes cast, such director will tender his or her resignation from the Board.

For more information regarding voting rights of common shareholders, see — "Certain Provisions of Virginia Law and Our Articles of Incorporation and Bylaws—Amendment of Our Articles of Incorporation and Bylaws and Approval of Extraordinary Transactions" below.

Dividends, Distributions, Liquidation and Other Rights

Subject to the preferential rights of any other class or series of shares and to the provisions of our articles of incorporation and bylaws regarding the restrictions on transfer and ownership of capital shares, holders of our common shares are entitled to receive dividends on such common shares if, as and when authorized by our board of directors, and declared by us out of assets legally available therefor. Subject to the rights of holders of shares ranking senior to the holders of our common shares as to dividends and distributions, holders of our common shares also are entitled to receive, if and when declared by our board of directors, dividends and distribution of our net assets legally available for distribution to shareholders in the event of our liquidation, dissolution or winding up of the affairs of our company.

Holders of our common shares have no preference, conversion, exchange, sinking fund or redemption rights and have no preemptive rights to subscribe for any of our securities. Subject to the provisions of our articles of

incorporation and bylaws regarding the restrictions on transfer and ownership of capital shares, common shares will have equal dividend, liquidation and other rights.

Transfer Agent and Registrar

The transfer agent and registrar for our common shares is American Stock Transfer & Trust Company, LLC.

Listing

Our common shares are listed on the New York Stock Exchange and trade under the symbol "APLE."

Restrictions on Ownership and Transfer

In order to qualify as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), our shares must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. Also, no more than 50% of the value of our outstanding shares (after taking into account options to acquire common shares) may be owned, directly, indirectly, or through attribution, by five or fewer individuals (as defined in the Code to include certain entities) at any time during the last half of a taxable year .

Because our board of directors believes that it is essential for us to qualify as a REIT, our articles of incorporation, subject to certain exceptions, contain restrictions on the number of shares of our capital stock that a person may own.

In order to assist us in complying with the limitations on the concentration of ownership of our shares imposed by the Code, our articles of incorporation generally prohibit any person or entity (other than a person or entity who has been granted an exception) from directly or indirectly, beneficially or constructively, owning more than 9.8% of the aggregate of our outstanding common shares, by value or by number of shares, whichever is more restrictive, or 9.8% of the aggregate of the outstanding preferred shares of any class or series, by value or by number of shares, whichever is more restrictive. However, our articles of incorporation permit (but do not require) exceptions to be made for shareholders provided that our board of directors determines that such exceptions will not jeopardize our qualification as a REIT.

Our articles of incorporation also prohibit any person from (1) beneficially or constructively owning shares of our capital stock that would result in our being "closely held" under Section 856(h) of the Code, (2) transferring our shares if such transfer would result in us being beneficially owned by fewer than 100 persons (determined without regard to any rules of attribution), (3) beneficially or constructively owning our shares that would result in our owning (directly or constructively) 10% or more of the ownership interest in a tenant of our real property if income derived from such tenant for our taxable year would result in more than a de minimis amount of non-qualifying income for purposes of the REIT tests that, taking into account any other non-qualifying gross income of ours, would cause us to fail to satisfy an applicable REIT gross income requirement, and (4) beneficially or constructively owning our shares that would cause us otherwise to fail to qualify as a REIT, including, but not limited to, as a result of any "eligible independent contractor" (as defined in Section 856(d)(9)(A) of the Code) that operates a "qualified lodging facility" (as defined in Section 856(d)(9)(D)(i) of the Code) on behalf of a taxable REIT subsidiary, or TRS, failing to qualify as such. Any person who acquires or attempts or intends to acquire beneficial ownership of our shares that will or may violate any of the foregoing restrictions on transferability and ownership will be required to give written notice immediately to us and provide us with such other information as we may request in order to determine the effect of such transfers on our qualification as a REIT. The foregoing restrictions on transferability and ownership will not apply if our board of directors determines that it is no longer in our best interest to attempt to qualify, or to qualify, or to continue to qualify, as a REIT. In addition, our board of directors may determine that compliance with the foregoing restrictions is no longer required for our qualification as a REIT.

Our board of directors, in its sole discretion, may waive the 9.8% ownership limit for common shares or preferred shares for a shareholder that is not an individual if such shareholder provides information and makes

representations to the board that are satisfactory to the board, in its reasonable discretion, to establish that such person's ownership in excess of the 9.8% limit for common or preferred shares would not jeopardize our qualification as a REIT. As a condition of granting the waiver, our board of directors, in its sole and absolute discretion as it may deem necessary or advisable, may require a ruling from the Internal Revenue Service, or IRS, or an opinion of counsel in either case in form and substance satisfactory to our board of directors in order to determine or ensure our qualification as a REIT.

In addition, our board of directors from time to time may increase the share ownership limits. However, the share ownership limits may not be increased if, after giving effect to such increase, five or fewer individuals could own or constructively own in the aggregate, more than 49.9% in value of the shares then outstanding.

If any transfer of our shares of beneficial interest occurs which, if effective, would result in any person beneficially or constructively owning shares in excess, or in violation, of the above transfer or ownership limitations, known as a prohibited owner, then that number of shares, the beneficial or constructive ownership of which otherwise would cause such person to violate the transfer or ownership limitations (rounded up to the nearest whole share), will be automatically transferred to a charitable trust for the exclusive benefit of a charitable beneficiary, and the prohibited owner will not acquire any rights in such shares. This automatic transfer will be considered effective as of the close of business on the business day before the violative transfer. If the transfer to the charitable trust would not be effective for any reason to prevent the violation of the above transfer or ownership limitations, then the transfer of that number of shares that otherwise would cause any person to violate the above limitations will be void. Shares held in the charitable trust will continue to constitute issued and outstanding shares. The prohibited owner will not benefit economically from ownership of any shares held in the charitable trust, will have no rights to dividends or other distributions and will not possess any rights to vote or other rights attributable to the shares held in the charitable trust. The trustee of the charitable trust will be designated by us and must be unaffiliated with us or any prohibited owner and will have all voting rights and rights to dividends or other distributions with respect to shares held in the charitable trust, and these rights will be exercised for the exclusive benefit of the trust's charitable beneficiary. Any dividend or other distribution paid before our discovery that shares have been transferred to the trustee will be paid by the recipient of such dividend or distribution to the trustee upon demand, and any dividend or other distribution authorized but unpaid will be paid when due to the trustee. Any dividend or distribution so paid to the trustee will be held in trust for the trust's charitable beneficiary. Subject to Virginia law, effective as of the date that such shares have been transferred to the charitable trust, the trustee, in its sole discretion, will have the authority to:

- rescind as void any vote cast by a prohibited owner prior to our discovery that such shares have been transferred to the charitable trust; and
- recast such vote in accordance with the desires of the trustee acting for the benefit of the trust's charitable beneficiary.

However, if we have already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast such vote.

Within 20 days of receiving notice from us that shares have been transferred to the charitable trust, and unless we buy the shares first as described below, the trustee will sell the shares held in the charitable trust to a person, designated by the trustee, whose ownership of the shares will not violate the share ownership limits in our articles of incorporation. Upon the sale, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the prohibited owner and to the charitable beneficiary. The prohibited owner will receive the lesser of:

- the price paid by the prohibited owner for the shares or, if the prohibited owner did not give value for the shares in connection with the event causing the shares to be held in the charitable trust (for example, in the case of a gift or devise), the market price of the shares on the day of the event causing the shares to be held in the charitable trust; and
- the price per share received by the trustee from the sale or other disposition of the shares held in the charitable trust (less any commission and other expenses of a sale).

The trustee may reduce the amount payable to the prohibited owner by the amount of dividends and distributions paid to the prohibited owner and owed by the prohibited owner to the trustee. Any net sale proceeds in excess of the amount payable to the prohibited owner will be paid immediately to the charitable beneficiary. If, before our discovery that our shares have been transferred to the charitable trust, such shares are sold by a prohibited owner, then:

- such shares will be deemed to have been sold on behalf of the charitable trust; and
- to the extent that the prohibited owner received an amount for such shares that exceeds the amount that the prohibited owner was entitled to receive as described above, the excess must be paid to the trustee upon demand.

In addition, shares held in the charitable trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of:

- the price per share in the transaction that resulted in such transfer to the charitable trust (or, in the case of a gift or devise, the market price at the time of the gift or devise); and
- the market price on the date we, or our designee, accepts such offer.

We may reduce the amount payable to the prohibited owner by the amount of dividends and distributions paid to the prohibited owner and owed by the prohibited owner to the trustee. We may pay the amount of such reduction to the trustee for the benefit of the charitable beneficiary. We will have the right to accept the offer until the trustee has sold the shares held in the charitable trust. Upon such a sale to us, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the prohibited owner and any dividends or other distributions held by the trustee will be paid to the charitable beneficiary.

All certificates, if any, representing our shares will bear a legend referring to the restrictions described above.

Every shareholder of record of more than 5% (or such lower percentage as required by the Code or the regulations promulgated thereunder) in value of the outstanding shares will be required to give written notice to us within 30 days after the end of each taxable year stating the name and address of each actual owner, the number of shares of each class and series of shares that each actual owner beneficially owns and a description of the manner in which such shares are held. Each such shareholder shall provide to us such additional information as we may request in order to determine the effect, if any, of such beneficial ownership on our status as a REIT and to ensure compliance with the ownership limitations. In addition, each shareholder shall upon demand be required to provide to us such information as we may request, in good faith, in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

These share ownership limitations could delay, deter or prevent a transaction or a change in control that might involve a premium price for holders of our common shares or might otherwise be in the best interest of our shareholders.

Certain Provisions of Virginia Law and our Articles of Incorporation and Bylaws

Our Board of Directors

Our bylaws provide that the number of directors of our company may be determined by our board of directors, but may not be less than three nor more than 15.

Our bylaws provide that any vacancy, including a vacancy created by an increase in the number of directors, in our board of directors may be filled by a majority of the remaining directors, even if the remaining directors do not constitute a quorum, or by a sole remaining director. If, however, a vacancy is created by the

removal of a director by a vote or written consent of our shareholders or court order, such vacancy may be filled only by the vote of a majority of shares entitled to vote or by the written consent of all of the shareholders entitled to vote. Our shareholders may also elect, by the consent of a majority of outstanding shares entitled to vote, a director or directors at any time to fill a vacancy or vacancies not filled by our directors. Any director elected to fill a vacancy will serve until a successor is elected at an annual or special meeting of shareholders. Effective as of the 2020 annual meeting of shareholders, all directors are elected for one-year terms expiring at the next annual meeting.

Holders of our common shares do not have a right to cumulative voting in the election of directors. Pursuant to our bylaws, directors are elected by the plurality of votes cast and entitled to vote in the election of directors. However, our corporate governance guidelines require that if an incumbent director fails to receive at least a majority of the votes cast, such director will tender his or her resignation from the Board. The Nominating and Governance Committee of the Board will consider, and determine whether to accept, such resignation.

Removal of Directors

Our bylaws provide that our board of directors may declare vacant the office of a director who has been declared of unsound mind by an order of court or who has pled guilty or nolo contendere to or been convicted of a felony involving moral turpitude. In addition, any or all directors may be removed for cause (which is defined as a willful violation of our articles of incorporation or bylaws or gross negligence in the performance of a director's duties) and only by the affirmative vote of either (i) the vote or written consent of all directors other than the director who is being removed, or (ii) the vote of holders of a majority of our outstanding common shares at a meeting of shareholders called for such purpose. Our bylaws also provide that any or all directors may be removed without cause upon the affirmative vote of a majority of the outstanding common shares entitled to vote at a meeting of shareholders called for such purpose.

Affiliated Transactions

The Virginia Stock Corporation Act limits "affiliated transactions" between a corporation and an "interested shareholder" for three years after the date on which the interested shareholder became an interested shareholder, except in compliance with the Virginia Stock Corporation Act. These affiliated transactions include a merger, statutory share exchange, dissolution, or, in circumstances specified in the statute, certain transfers of assets, certain share issuances and transfers and reclassifications involving interested shareholders. Virginia law defines an interested shareholder as:

- any person who beneficially owns more than 10% of any class of the corporation's outstanding voting shares (defined as shares of a class that is entitled to vote generally in the election of directors); or

- an affiliate or associate of the corporation who, at any time within the three-year period prior to the date in question, was the beneficial owner of more than 10% of any class of the corporation's then-outstanding voting shares.

The Virginia Stock Corporation Act provides that no corporation may engage in any affiliated transaction with any interested shareholder for a period of three years following the date on which an interested shareholder becomes an interested shareholder, unless approved by the affirmative vote of the holders of at least two-thirds of the voting shares of the corporation, other than the shares beneficially owned by the interested shareholder, and by a majority (but not less than two) of the "disinterested directors." A disinterested director means, with respect to a particular interested shareholder, a member of a corporation's board of directors who (i) was a member before the later of January 1, 1988 and the date on which an interested shareholder became an interested shareholder and (ii) was recommended for election by, or was elected to fill a vacancy and received the affirmative vote of, a majority of the disinterested directors then on the board. At the expiration of the three-year period, these provisions generally require approval of affiliated transactions by the affirmative vote of the holders of at least two-thirds of the voting shares of the corporation, other than those beneficially owned by the interested shareholder.

The statute permits various exemptions from its provisions, including for affiliated transactions entered into with an interested shareholder after the three-year period that are approved by a majority of disinterested directors or are approved by the affirmative vote of the holders of two-thirds of the voting shares other than shares beneficially owned by the interested shareholders, and affiliated transactions where the consideration will be paid to the holders of each class or series of voting shares and certain other statutory fair price conditions are met. Virginia law also requires that, during the three years preceding the announcement of the proposed affiliated transaction, all required dividends have been paid and no special financial accommodations have been accorded the interested shareholder unless approved by a majority of the disinterested directors.

As permitted by the Virginia Stock Corporation Act, we have elected pursuant to a provision in our articles of incorporation to "opt-out" of the affiliated transactions provisions of the statute.

Control Share Acquisitions

The Virginia Stock Corporation Act provides that shares of a Virginia corporation acquired in a "control share acquisition" have no voting rights except to the extent approved by the affirmative vote of the holders of a majority of the shares entitled to vote on the matter, excluding "interested shares" in a Virginia corporation. "Interested shares" are shares of a corporation which any of the following persons is entitled to exercise or direct the exercise of the voting power in the election of directors: (1) an acquiring person with respect to a control share acquisition; (2) any officer of such corporation; or (3) any employee of such corporation who is also a director of the corporation. A "control share acquisition" means the direct or indirect acquisition of shares, other than in an excepted acquisition, by a person that when added to all other shares which then have voting rights or are beneficially owned by such person would cause such person to become entitled, immediately upon acquisition of such shares, to vote or direct the vote of, shares having voting power within any of the following ranges of the votes entitled to be cast in an election of directors:

- one-fifth or more but less than one-third of such votes;
- one-third or more but less than a majority of such votes; or
- a majority or more of such votes.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses and making a "control share acquisition statement" as described in the Virginia Stock Corporation Act), may compel our board of directors to call a special meeting of shareholders to be held within 50 days of the acquiring person's request to consider the voting rights of the shares. If no request for a special meeting is made, the corporation may itself present the question at any shareholders' meeting.

If voting rights for control shares are approved at a shareholders' meeting and the acquiror has beneficial ownership of shares entitled to cast a majority of the votes which could be cast in an election of directors, all shareholders other than the acquiring person may be entitled to exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply to shares acquired in a merger or share exchange if the corporation is a party to the transaction.

As permitted by the Virginia Stock Corporation Act, we have elected pursuant to a provision in our bylaws to exempt any acquisition of our shares from the control share acquisition provisions of the statute. However, the board of directors may further amend the bylaws to opt into the control share provisions at any time in the future.

Amendment of Our Articles of Incorporation and Bylaws and Approval of Extraordinary Transactions

Under the Virginia Stock Corporation Act, a Virginia corporation generally cannot dissolve, amend its articles of incorporation, merge, sell all or substantially all of its assets or engage in a share exchange unless

approved by the affirmative vote of more than two-thirds of all votes entitled to be cast on the matter, unless a greater or lesser proportion of votes (but not less than a majority of all votes cast) is specified in the corporation's articles of incorporation. Our articles of incorporation provide that our shareholders, by vote of the holders of a majority of our common shares issued and outstanding and a majority of the votes entitled to be voted by any other voting group required by law to vote thereon as a separate voting group, may vote to approve a plan of merger, share exchange or dissolution or to sell, lease, exchange or otherwise dispose of all or substantially all of our property other than in the usual and regular course of business. Our articles of incorporation also provide that, except as otherwise provided by law or our articles of incorporation with respect to any outstanding series of our preferred shares, our articles of incorporation may be amended at any time, and from time to time, upon the vote of the holders of a majority of our common shares issued and outstanding.

Our articles of incorporation provide that our bylaws may be amended or repealed, or new bylaws adopted, at any time by (1) our board of directors or (2) by a vote of the holders of a majority of our issued and outstanding common shares, and our shareholders in amending, repealing or adopting a bylaw may, except as prohibited by applicable law, expressly provide that our board of directors may not amend, repeal or reinstate that bylaw.

Meetings of Shareholders

Under our bylaws, annual meetings of shareholders will be held each year at a date and time as determined by our chief executive officer or our board of directors. Special meetings of shareholders may be called by our chief executive officer, by a majority of our board of directors or by the chairman of our board of directors. Additionally, subject to the provisions of our bylaws, special meetings of the shareholders shall be called by our chairman of the board, chief executive officer or secretary upon the written request of shareholders holding not less than 10% of the eligible votes. Only matters set forth in the notice of the special meeting may be considered and acted upon at such a meeting. Virginia law and our bylaws provide that any action required or permitted to be taken at a meeting of shareholders may be taken without a meeting by unanimous written consent, if that consent describes that action, is signed by each shareholder entitled to vote on the matter, bearing the date of each signature, and is delivered to the secretary of our company for inclusion in the minutes or filing with our corporate records.

Advance Notice of Director Nominations and New Business

Our bylaws provide that:

- with respect to an annual meeting of shareholders, the proposal of business to be considered by shareholders at the annual meeting may be made only:
    - pursuant to our notice of the meeting;
    - by or at the direction of our board of directors; or
    - by a shareholder who is a shareholder of record of a class of shares entitled to vote on the business that such shareholder has proposed both at the time of giving of the notice of the meeting and on the record date of such annual meeting, and who complies with the advance notice procedures set forth in our bylaws.
- with respect to special meetings of shareholders, only the business specified in our notice of meeting may be brought before the meeting of shareholders.
- nominations of persons for election to our board of directors may be made only:
    - pursuant to our notice of the meeting;
    - by our board of directors or any committee thereof; or
    - by a shareholder who is a shareholder of record of a class of shares entitled to vote for the election of directors both at the time of giving of the notice required by our bylaws and

on the record date for the meeting at which the nominee(s) will be voted upon, and who complies with the advance notice provisions set forth in our bylaws.

The purpose of requiring shareholders to give advance notice of nominations and other proposals is to afford our board of directors the opportunity to consider the qualifications of the proposed nominees or the advisability of the other proposals and, to the extent considered necessary by our board of directors, to inform shareholders and make recommendations regarding the nominations or other proposals. The advance notice procedures also permit a more orderly procedure for conducting our shareholder meetings. Although our bylaws do not give our board of directors the power to disapprove timely shareholder nominations and proposals, our bylaws may have the effect of precluding a contest for the election of directors or proposals for other action if the proper procedures are not followed, and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors to our board of directors or to approve its own proposal.

Anti-takeover Effect of Certain Provisions of Virginia Law and Our Articles of Incorporation and Bylaws

The provisions of our bylaws on removal of directors and advance notice of director nominations could delay, defer or prevent a transaction or a change in control of our company that might involve a premium price for holders of our common shares or otherwise be in the best interests of our shareholders. Likewise, provisions of the Virginia Stock Corporation Act that restrict affiliated transactions and control share acquisitions, if we are subject to those provisions in the future, could have similar anti-takeover effects. See "—Affiliated Transactions" and "—Control Share Acquisitions" for additional information on the voting requirements related to these transactions.

Indemnification and Limitation of Directors' and Officers' Liability

Our articles of incorporation provide for the limitation or elimination of liability of our directors and officers to our company or our shareholders to the same extent permitted by the Virginia Stock Corporation Act.

The Virginia Stock Corporation Act permits, and our articles of incorporation require, to the fullest extent permitted by Virginia law, that we indemnify our officers and directors in a variety of circumstances, which may include indemnification for liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Under Sections 13.1-697 and 13.1-702 of the Virginia Stock Corporation Act, a Virginia corporation generally is authorized to indemnify its directors and officers in civil and criminal actions if such officer or director acted in good faith and believed, in the case of conduct in his or her official capacity with the corporation, that his conduct was in the best interests of the corporation or in all other cases, that his conduct was at least not opposed to its best interests, and, in the case of any criminal proceeding, he had no reasonable cause to believe that his conduct was unlawful. The Virginia Stock Corporation Act requires such indemnification, unless limited by a corporation's articles of incorporation, when a director or officer entirely prevails in the defense of any proceeding to which he was a party because he is or was a director or officer of the corporation.

Our articles of incorporation provide that we must indemnify any individual who is, was or is threatened to be made a party to a civil, criminal, administrative, investigative or other proceeding (including a proceeding by or in the right of our company or by or on behalf of our shareholders) because such individual is or was a director or officer of our company or of any legal entity controlled by our company, or is or was a fiduciary of any employee benefit plan established at the direction of our company, against all liabilities and reasonable expenses incurred by him on account of the proceeding, provided that our directors (excluding the indemnified party) determine in good faith that his course of conduct which caused the loss or liability was in the best interests of our company, and provided further that such liabilities and expenses were not incurred because of his willful misconduct, bad faith, reckless disregard of duties or knowing violation of the criminal law. Before any indemnification is paid, a determination must be made that indemnification is permissible in the circumstances because the person seeking indemnification is eligible for indemnification and has met the standard of conduct set forth above. Such determination must be made in the manner provided by Virginia law for determining that indemnification of a director is permissible; provided, however, that if a majority of our directors has changed after the date of the alleged conduct giving rise to a claim for indemnification, the determination that indemnification is permissible must, at the option of the person claiming indemnification, be made by special legal counsel agreed upon by our board of directors and such person.

Unless a determination has been made that indemnification is not permissible, we must make advances and reimbursement for expenses incurred by any person named above upon receipt of an undertaking from him to repay the same if it is ultimately determined that such individual is not entitled to indemnification. We are authorized to contract in advance to indemnify our directors and officers to the extent it is required to indemnify them pursuant to the provisions described above.

Notwithstanding the above, indemnification will not be allowed for any liability imposed by judgment, and costs associated therewith, including attorneys' fees, arising from or out of an alleged violation of federal or state securities laws associated with the public offering of our common shares unless (i) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee, or (ii) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee, or (iii) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and the related costs should be made, and the court considering the request for indemnification has been advised of the position of the Securities and Exchange Commission and of the published position of any state securities regulatory authority in which our securities were offered or sold as to indemnification for violations of securities laws.

The rights of each person or entity entitled to indemnification under our articles of incorporation shall inure to the benefit of such person's or entity's heirs, executors, administrators, successors or assigns. Indemnification pursuant to our articles of incorporation shall not be exclusive of any other right of indemnification to which any person or entity may be entitled, including indemnification pursuant to a valid contract, indemnification by legal entities other than our company, and indemnification under policies of insurance purchased and maintained by us or others. However, no person or entity shall be entitled to indemnification by us to the extent such person or entity is indemnified by another, including an insurer.

Insofar as the foregoing provisions permit indemnification of directors or officers for liability arising under the Securities Act, we have been informed that, in the opinion of the Securities and Exchange Commission, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Exhibit 10.14

FOURTH AMENDMENT TO CREDIT AGREEMENT

FOURTH AMENDMENT TO CREDIT AGREEMENT, dated as of June 4, 2021 (this "Agreement"), to the Second Amended and Restated Credit Agreement (as heretofore amended, restated, extended, supplemented or otherwise modified in writing, the "Credit Agreement") dated as of July 27, 2018, among Apple Hospitality REIT, Inc., a Virginia corporation (the "Borrower"), certain subsidiaries of the Borrower from time to time party thereto, as Guarantors, the Lenders party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement as amended by this Agreement.

WHEREAS, the Borrower, the Guarantors, the Lenders party hereto and the Administrative Agent desire to modify the Credit Agreement as herein set forth subject to the terms and conditions provided for in this Agreement.

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

SECTION 1. AMENDMENTS TO CREDIT AGREEMENT; WAIVER CONSENT. SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT, THE BORROWER, THE GUARANTORS, THE LENDERS AND THE ADMINISTRATIVE AGENT HEREBY AGREE THAT THE CREDIT AGREEMENT (OTHER THAN THE SCHEDULES AND EXHIBITS THERETO) IS AMENDED TO INCORPORATE THE CHANGES MARKED ON THE COPY OF THE CREDIT AGREEMENT ATTACHED AS ANNEX I HERETO.

SECTION 2. CONDITIONS OF EFFECTIVENESS. THIS AGREEMENT SHALL BECOME EFFECTIVE AS OF THE FIRST DATE (THE "FOURTH AMENDMENT EFFECTIVE DATE") THAT ALL OF THE FOLLOWING CONDITIONS PRECEDENT SHALL HAVE BEEN SATISFIED:

2.1 The Administrative Agent's receipt of the following, each of which shall be e-mails (in a .pdf format) or telecopies (in each case, followed promptly by originals to the extent set forth below or otherwise requested by the Administrative Agent) unless otherwise specified and each in form and substance satisfactory to the Administrative Agent:

(a) counterparts of this Agreement, in such number as requested by the Administrative Agent, duly executed by the Borrower, the Guarantors, the Administrative Agent and Lenders constituting Required Lenders.

(b) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party;

(c) a certificate of a Responsible Officer of the Borrower to the effect that no event has occurred and is continuing which constitutes a Default;

(d) a fully executed copy of an amendment, in each case dated as of (or prior to) the Fourth Amendment Effective Date, to each of the following (each as defined in the Intercreditor Agreement):

(i) the Regions Term Loan Agreement;

(ii) the Huntington Term Loan Agreement;

(iii) the PNC Term Loan Agreement; and

(iv) the Prudential Note Agreement.

2.2 The representations and warranties contained in Section 3 are correct on and as of the Fourth Amendment Effective Date, as though made on and as of such date other than any such representations or warranties that, by their terms, refer to another date, in which case such representations and warranties shall have been correct as of such other date.

2.3 There shall not have occurred since December 31, 2017, any event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect (excluding any event or circumstance resulting from the COVID-19 pandemic to the extent such event or circumstance has been publicly disclosed by the Borrower in its securities filings or disclosed in writing by the Borrower to the Administrative Agent and the Lenders prior to the Fourth Amendment Effective Date, and the scope of such adverse effect is no greater than that which has been disclosed).

SECTION 3. REPRESENTATIONS AND WARRANTIES. EACH OF THE LOAN PARTIES HEREBY CERTIFIES TO THE ADMINISTRATIVE AGENT AND THE LENDERS THAT AS OF THE DATE HEREOF AND AFTER GIVING EFFECT TO THIS AGREEMENT, THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THE CREDIT AGREEMENT AND IN THE OTHER LOAN DOCUMENTS AND ALL SUCH REPRESENTATIONS AND WARRANTIES SHALL BE TRUE AND CORRECT IN ALL MATERIAL RESPECTS ON THE DATE HEREOF WITH THE SAME FORCE AND EFFECT AS IF MADE ON SUCH DATE (EXCEPT TO THE EXTENT (I) SUCH REPRESENTATIONS AND WARRANTIES EXPRESSLY RELATE TO AN EARLIER DATE, IN WHICH CASE SUCH REPRESENTATIONS AND WARRANTIES SHALL BE TRUE AND CORRECT AS OF SUCH EARLIER DATE, (II) ANY REPRESENTATION OR WARRANTY THAT IS ALREADY BY ITS TERMS QUALIFIED AS TO "MATERIALITY", "MATERIAL ADVERSE EFFECT" OR SIMILAR LANGUAGE SHALL BE TRUE AND CORRECT IN ALL RESPECTS AFTER GIVING EFFECT TO SUCH QUALIFICATION AND (III) FOR PURPOSES OF THIS SECTION 3, THE REPRESENTATIONS AND WARRANTIES CONTAINED IN SECTIONS 5.05(A) AND (B) OF THE CREDIT AGREEMENT SHALL BE DEEMED TO REFER TO THE MOST RECENT STATEMENTS FURNISHED PURSUANT TO SECTIONS 6.01(A) AND (B), RESPECTIVELY, OF THE CREDIT AGREEMENT). EACH OF THE LOAN PARTIES REPRESENTS AND WARRANTS (WHICH REPRESENTATIONS AND WARRANTIES SHALL SURVIVE THE EXECUTION AND DELIVERY HEREOF) TO THE ADMINISTRATIVE AGENT AND THE LENDERS THAT:

(a) it has all requisite power and authority to execute, deliver and perform its obligations under this Agreement and the transactions contemplated hereby and has taken or caused to be taken all necessary action to authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby;

(b) no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement, except for filings for reporting purposes required under applicable securities laws;

(c) this Agreement has been duly executed and delivered on its behalf by a duly authorized officer, and constitutes its legal, valid and binding obligation enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights generally and by general principles of equity;

(d) no Default shall exist or would result from the consummation of the transactions contemplated by this Agreement;

(e) the execution, delivery and performance by it of this Agreement will not (i) contravene the terms of any of its Organization Documents; (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (x) any Contractual Obligation to which such Loan Party is a party or affecting such Loan Party or the properties of such Loan Party or any of its Subsidiaries or (y) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (iii) violate any Law; and

(f) since December 31, 2017, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect (excluding any event or circumstance resulting from the COVID-19 pandemic to the extent such event or circumstance has been publicly disclosed by the Borrower in its securities filings or disclosed in writing by the Borrower to the Administrative Agent and the Lenders prior to the Fourth Amendment Effective Date, and the scope of such adverse effect is no greater than that which has been disclosed).

SECTION 4. AFFIRMATION OF GUARANTORS. EACH GUARANTOR HEREBY APPROVES AND CONSENTS TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT AND THE CREDIT AGREEMENT AS AMENDED BY THIS AGREEMENT, AND AGREES AND AFFIRMS THAT ITS GUARANTEE OF THE OBLIGATIONS CONTINUES TO BE IN FULL FORCE AND EFFECT AND IS HEREBY RATIFIED AND CONFIRMED IN ALL RESPECTS AND SHALL APPLY TO THE CREDIT AGREEMENT, AS AMENDED HEREBY, AND ALL OF THE OTHER LOAN DOCUMENTS, AS SUCH ARE AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH THEIR TERMS.

SECTION 5. COSTS AND EXPENSES. THE LOAN PARTIES ACKNOWLEDGE AND AGREE THAT THEIR PAYMENT OBLIGATIONS SET FORTH IN SECTION 11.04 OF THE CREDIT AGREEMENT INCLUDE THE COSTS AND EXPENSES INCURRED BY THE ADMINISTRATIVE AGENT IN CONNECTION WITH THE PREPARATION, EXECUTION AND DELIVERY OF THIS AGREEMENT AND ANY OTHER DOCUMENTATION CONTEMPLATED HEREBY (WHETHER OR NOT THIS AGREEMENT BECOMES EFFECTIVE OR THE TRANSACTIONS CONTEMPLATED HEREBY ARE CONSUMMATED AND WHETHER OR NOT ANY DEFAULT OR EVENT OF DEFAULT HAS OCCURRED OR IS CONTINUING), INCLUDING, BUT NOT LIMITED TO, THE REASONABLE FEES AND DISBURSEMENTS OF ARNOLD & PORTER KAYE SCHOLER LLP, COUNSEL TO THE ADMINISTRATIVE AGENT.

SECTION 6. RATIFICATION.

(a) The Credit Agreement, as amended by this Agreement, and the other Loan Documents remain in full force and effect and are hereby ratified and affirmed by the Loan Parties. The amendments contained in Section 1 hereof shall be deemed to have prospective application only. This Agreement is not intended to and shall not constitute a novation. Each of the Loan Parties hereby (i) confirms and agrees that the Borrower is truly and justly indebted to the Administrative Agent and the Lenders in the aggregate amount of the Obligations without defense, counterclaim or offset of any kind whatsoever, other than payment in full, and (ii) reaffirms and admits the validity and enforceability of the Credit Agreement, as amended by this Agreement, and the other Loan Documents.

(b) This Agreement shall be limited precisely as written and, except as expressly provided herein, shall not be deemed (i) to be a consent granted pursuant to, or a waiver, modification or forbearance of, any term or condition of the Credit Agreement, any other Loan Document or any of the instruments or agreements referred to therein or a waiver of any Default or Event of Default under the Credit Agreement, whether or not known to the Administrative Agent, any L/C Issuer or any of the Lenders, or (ii) to prejudice any right or remedy which the Administrative Agent, any L/C Issuer or any Lender may now have or have in the future against any Person under or in connection with the Credit Agreement, the Credit Agreement as amended hereby, any other Loan Document or any of the instruments or agreements referred to therein or any of the transactions contemplated thereby.

SECTION 7. MODIFICATIONS. NEITHER THIS AGREEMENT, NOR ANY PROVISION HEREOF, MAY BE WAIVED, AMENDED OR MODIFIED EXCEPT PURSUANT TO AN AGREEMENT OR AGREEMENTS IN WRITING ENTERED INTO BY THE PARTIES HERETO.

SECTION 8. REFERENCES. THE LOAN PARTIES ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT CONSTITUTES A LOAN DOCUMENT. EACH REFERENCE IN THE CREDIT AGREEMENT TO "THIS AGREEMENT," "HEREUNDER," "HEREOF," "HEREIN," OR WORDS OF LIKE IMPORT, AND EACH REFERENCE IN EACH OTHER LOAN DOCUMENT (AND THE OTHER DOCUMENTS AND INSTRUMENTS DELIVERED PURSUANT TO OR IN CONNECTION THEREWITH) TO THE "CREDIT AGREEMENT", "THEREUNDER", "THEREOF" OR WORDS OF LIKE IMPORT, SHALL MEAN AND BE A REFERENCE TO THE CREDIT AGREEMENT AS MODIFIED HEREBY AND AS THE CREDIT AGREEMENT MAY IN THE FUTURE BE AMENDED, RESTATED, SUPPLEMENTED OR MODIFIED FROM TIME TO TIME.

SECTION 9. COUNTERPARTS. THIS AGREEMENT MAY BE EXECUTED IN COUNTERPARTS (AND BY DIFFERENT PARTIES HERETO IN DIFFERENT COUNTERPARTS), EACH OF WHICH SHALL CONSTITUTE AN ORIGINAL, BUT ALL OF WHICH WHEN TAKEN TOGETHER SHALL CONSTITUTE A SINGLE CONTRACT. DELIVERY OF AN EXECUTED COUNTERPART OF A SIGNATURE PAGE OF THIS AGREEMENT BY TELECOPIER OR OTHER ELECTRONIC IMAGING MEANS (E.G. "PDF" OR "TIF") SHALL BE EFFECTIVE AS DELIVERY OF A MANUALLY EXECUTED COUNTERPART OF THIS AGREEMENT. THE WORDS "EXECUTE," "EXECUTION," "SIGNED," "SIGNATURE," AND WORDS OF LIKE IMPORT IN OR RELATED TO ANY DOCUMENT TO BE SIGNED IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE DEEMED TO INCLUDE ELECTRONIC SIGNATURES, THE ELECTRONIC MATCHING OF ASSIGNMENT TERMS AND CONTRACT FORMATIONS ON ELECTRONIC PLATFORMS APPROVED BY THE ADMINISTRATIVE AGENT, OR THE KEEPING OF RECORDS IN ELECTRONIC FORM, EACH OF WHICH SHALL BE OF THE SAME LEGAL EFFECT, VALIDITY OR ENFORCEABILITY AS A MANUALLY EXECUTED SIGNATURE OR THE USE OF A PAPER-BASED RECORDKEEPING SYSTEM, AS THE CASE MAY BE, TO THE EXTENT AND AS PROVIDED FOR IN ANY APPLICABLE LAW, INCLUDING THE FEDERAL ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT, THE NEW YORK STATE ELECTRONIC SIGNATURES AND RECORDS ACT, OR ANY OTHER SIMILAR STATE LAWS BASED ON THE UNIFORM ELECTRONIC TRANSACTIONS ACT; PROVIDED THAT NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY THE ADMINISTRATIVE AGENT IS UNDER NO OBLIGATION TO AGREE TO ACCEPT ELECTRONIC SIGNATURES IN ANY FORM OR IN ANY FORMAT UNLESS EXPRESSLY AGREED TO BY THE ADMINISTRATIVE AGENT PURSUANT TO PROCEDURES APPROVED BY IT; PROVIDED FURTHER THAT, WITHOUT LIMITING THE FOREGOING, (A) TO THE EXTENT THE ADMINISTRATIVE AGENT HAS AGREED TO ACCEPT SUCH ELECTRONIC SIGNATURE, EACH PARTY HERETO SHALL BE ENTITLED TO RELY ON ANY SUCH ELECTRONIC SIGNATURE PURPORTEDLY GIVEN BY OR ON BEHALF OF ANY OTHER PARTY HERETO WITHOUT FURTHER VERIFICATION AND (B) UPON THE REASONABLE REQUEST OF THE ADMINISTRATIVE AGENT OR ANY LENDER, ANY ELECTRONIC SIGNATURE OF ANY PARTY TO THIS AGREEMENT SHALL, AS PROMPTLY AS PRACTICABLE, BE FOLLOWED BY SUCH MANUALLY EXECUTED COUNTERPART. FOR PURPOSES HEREOF, "ELECTRONIC SIGNATURE" SHALL HAVE THE MEANING ASSIGNED TO IT BY 15 USC §7006, AS IT MAY BE AMENDED FROM TIME TO TIME.

SECTION 10. SUCCESSORS AND ASSIGNS. THE PROVISIONS OF THIS AGREEMENT SHALL BE BINDING UPON AND INURE TO THE BENEFIT OF THE PARTIES HERETO AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.

SECTION 11. SEVERABILITY. IF ANY PROVISION OF THIS AGREEMENT SHALL BE HELD INVALID OR UNENFORCEABLE IN WHOLE OR IN PART IN ANY JURISDICTION, SUCH PROVISION SHALL, AS TO SUCH JURISDICTION, BE INEFFECTIVE TO THE EXTENT OF SUCH INVALIDITY OR ENFORCEABILITY WITHOUT IN ANY MANNER AFFECTING THE VALIDITY OR ENFORCEABILITY OF SUCH PROVISION IN ANY OTHER JURISDICTION OR THE REMAINING PROVISIONS OF THIS AGREEMENT IN ANY JURISDICTION.

SECTION 12. GOVERNING LAW. THIS AGREEMENT 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 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 13. HEADINGS. SECTION HEADINGS IN THIS AGREEMENT ARE INCLUDED FOR CONVENIENCE OF REFERENCE ONLY AND ARE NOT TO AFFECT THE CONSTRUCTION OF, OR TO BE TAKEN INTO CONSIDERATION IN INTERPRETING, THIS AGREEMENT.

[The remainder of this page left blank intentionally]

IN WITNESS WHEREOF, the Loan Parties, the Administrative Agent and the undersigned Lenders have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BORROWER:
APPLE HOSPITALITY REIT, INC.,
a Virginia corporation

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: Senior Vice President

GUARANTORS:

APPLE REIT SEVEN, INC.
APPLE SEVEN HOSPITALITY, INC.
APPLE SEVEN HOSPITALITY MANAGEMENT, INC.
APPLE SEVEN HOSPITALITY OWNERSHIP, INC.
APPLE SEVEN SERVICES LAKELAND, INC.
APPLE SEVEN SERVICES PROVO-SAN DIEGO, INC.
APPLE SEVEN MANAGEMENT SERVICES GP, INC.
APPLE SEVEN MANAGEMENT SERVICES LP, INC.
APPLE SEVEN SERVICES HIGHLANDS RANCH, INC.
APPLE SEVEN SPE RICHMOND, INC.
APPLE SEVEN SERVICES RICHMOND, INC.,
each a Virginia corporation

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President of, and on behalf of, each of the 11 entities listed above

APPLE REIT EIGHT, INC.
APPLE EIGHT HOSPITALITY, INC.
APPLE EIGHT HOSPITALITY MANAGEMENT, INC.
APPLE EIGHT HOSPITALITY MASSACHUSETTS, INC.
APPLE EIGHT HOSPITALITY MASSACHUSETTS SERVICES, INC
APPLE EIGHT HOSPITALITY OWNERSHIP, INC.
APPLE EIGHT NC GP, INC.
APPLE EIGHT NC LP, INC.
APPLE EIGHT CALIFORNIA, INC.
APPLE EIGHT SERVICES FAYETTEVILLE, INC.
APPLE EIGHT SERVICES JACKSONVILLE, INC.
APPLE EIGHT SPE SAVANNAH, INC.,
each a Virginia corporation

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President of, and on behalf of, each of the 12 entities listed above

APPLE NINE HOSPITALITY, INC.
APPLE NINE HOSPITALITY MANAGEMENT, INC.
APPLE NINE HOSPITALITY OWNERSHIP, INC.
APPLE NINE HOSPITALITY TEXAS SERVICES, INC.
APPLE NINE HOSPITALITY TEXAS SERVICES II, INC.
APPLE NINE HOSPITALITY TEXAS SERVICES III, INC.
APPLE NINE LOUISIANA GP, INC.
APPLE NINE NC GP, INC.
APPLE NINE NC LP, INC.
APPLE NINE PENNSYLVANIA, INC.
APPLE NINE HOSPITALITY TEXAS SERVICES IV, INC.
APPLE NINE FLORIDA SERVICES, INC.
APPLE NINE SPE MALVERN, INC.,
each a Virginia corporation

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President of, and on behalf of, each of the 13 entities listed above

APPLE REIT TEN, INC.
APPLE TEN FLORIDA SERVICES, INC.
APPLE TEN HOSPITALITY MANAGEMENT, INC.
APPLE TEN HOSPITALITY OWNERSHIP, INC.
APPLE TEN HOSPITALITY TEXAS SERVICES II, INC.
APPLE TEN HOSPITALITY TEXAS SERVICES III, INC.
APPLE TEN HOSPITALITY TEXAS SERVICES IV, INC.
APPLE TEN HOSPITALITY TEXAS SERVICES, INC.
APPLE TEN HOSPITALITY, INC.
APPLE TEN NC GP, INC.
APPLE TEN NC LP, INC.
APPLE TEN OKLAHOMA SERVICES, INC.
APPLE TEN SPE CAPISTRANO, INC.
APPLE TEN SERVICES CAPISTRANO, INC.
APPLE TEN SERVICES GAINESVILLE, INC.
APPLE TEN SERVICES KNOXVILLE II, INC.
APPLE TEN SERVICES SCOTTSDALE, INC.
APPLE TEN SERVICES OHARE, INC.
APPLE TEN ILLINOIS MM, INC.
APPLE TEN ILLINOIS SERVICES, INC.,
each a Virginia corporation

By: /s/ Matthew Rash
Name: Matthew Rash
Title: President of, and on behalf of, each of the 20 entities listed above

APPLE TEN ALABAMA SERVICES, LLC
a Virginia limited liability company

By: **APPLE TEN HOSPITALITY MANAGEMENT, INC.**, a Virginia corporation
Manager

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE TEN NEBRASKA, LLC
a Virginia limited liability company

By: **APPLE TEN HOSPITALITY OWNERSHIP, INC.**, a Virginia corporation
Manager

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE TEN BUSINESS TRUST
a Virginia business trust

By: **APPLE TEN HOSPITALITY OWNERSHIP, INC.**, a Virginia corporation
sole Trustee

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE TEN NORTH CAROLINA, L.P. ,
a Virginia limited partnership

By: **APPLE TEN NC GP, INC.**, a Virginia corporation
General Partner

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE TEN OKLAHOMA, LLC ,
a Virginia limited liability company

By: **APPLE REIT TEN, INC.**, a Virginia corporation
Manager

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE TEN ILLINOIS, LLC ,
a Virginia limited liability company

By: **APPLE TEN ILLINOIS MM, INC.**, a Virginia corporation
Managing Member

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE NINE MISSOURI, LLC,
a Virginia limited liability company

By: **APPLE NINE HOSPITALITY OWNERSHIP, INC.**, a Virginia corporation
Manager

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE NINE NORTH CAROLINA, L.P.,
a Virginia limited partnership

By: **APPLE NINE NC GP, INC.**, a Virginia corporation
General Partner

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE NINE MALVERN PENNSYLVANIA BUSINESS TRUST,
a Pennsylvania business trust

By: **APPLE NINE SPE MALVERN, INC.**, a Virginia corporation
sole Trustee

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE NINE OKLAHOMA, LLC,
a Virginia limited liability company

By: **APPLE HOSPITALITY REIT, INC.**, a Virginia corporation
Manager

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: Senior Vice President

APPLE NINE LOUISIANA, L.P.,
a Virginia limited partnership

By: **APPLE NINE LOUISIANA GP, INC.**, a Virginia corporation
General Partner

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE NINE PENNSYLVANIA BUSINESS TRUST,
a Pennsylvania Business Trust

By: **APPLE NINE PENNSYLVANIA, INC.**
a Virginia corporation
sole Trustee

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE EIGHT HOSPITALITY MIDWEST, LLC,
a Virginia limited liability company

By: **APPLE EIGHT HOSPITALITY OWNERSHIP, INC.**, a Virginia corporation
Manager

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE EIGHT NORTH CAROLINA, L.P.,
a Virginia limited partnership

By: **APPLE EIGHT NC GP, INC.,** a Virginia corporation
General Partner

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE EIGHT HOSPITALITY TEXAS SERVICES, LLC,
a Virginia limited liability company

By: **APPLE EIGHT HOSPITALITY MANAGEMENT, INC.**, a Virginia corporation
Manager

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE SEVEN SERVICES, LLC,
APPLE SEVEN SERVICES II, LLC,
each a Virginia limited liability company

By: **APPLE SEVEN MANAGEMENT SERVICES GP, INC.**, a Virginia corporation
Managing Member of, and on behalf of, each of the two above entities

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

APPLE SEVEN SERVICES SOUTHEAST, L.P.,
a Virginia limited partnership

By: **APPLE SEVEN MANAGEMENT SERVICES GP, INC.**, a Virginia corporation
Managing Member

By: /s/ Matthew P. Rash
Name: Matthew Rash
Title: President

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Matthew R. Lohr
Name: Matthew R. Lohr
Title: Vice President

BANK OF AMERICA, N.A., as a Lender

By: /s/ Matthew R. Lohr
Name: Matthew R. Lohr
Title: Vice President

KEYBANK NATIONAL ASSOCIATION, as a Lender

By: /s/ Tayven Hike
Name: Tayven Hike
Title: Senior Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Shahin Shariff
Name: Shahin Shariff
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: /s/ Lori Y. Jensen
Name: Lori Y. Jensen
Title: Senior Vice President

CITIBANK, N.A., as a Lender

By: /s/ Chris Albano
Name: Chris Albano
Title: Authorized Signatory

REGIONS BANK, as a Lender

By: /s/ Ghi S. Gavin
Name: Ghi S. Gavin
Title: Senior Vice President

THE BANK OF NOVA SCOTIA, as a Lender

By: /s/ Ajit Goswami
Name: Ajit Goswami
Title: Managing Director & Industry Head

SUMITOMO MITSUI BANKING CORPORATION, as a Lender

By: /s/ Gail Motonaga
Name: Gail Motonaga
Title: Executive Director

TRUIST BANK, as a Lender

By: /s/ Brad Bowen
Name: Brad Bowen
Title: Managing Director

THE HUNTINGTON NATIONAL BANK, as a Lender

By: /s/ Gregory W. Ward
Name: Gregory W. Ward
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Katie Chowdhry
Name: Katie Chowdhry
Title: Senior Vice President

ANNEX I TO THIRD AMENDMENT
(marked copy of Second Amended and Restated Credit Agreement)

(see attached)

Published Deal CUSIP: 03785AAK8

Published Revolver CUSIP: 03785AAL6

Published Term A-1 CUSIP: 03785AAM4

Published Term A-2 CUSIP: 03785AAN2

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of July 27, 2018

among

APPLE HOSPITALITY REIT, INC.,
as the Borrower,

CERTAIN SUBSIDIARIES OF
APPLE HOSPITALITY REIT, INC.
FROM TIME TO TIME PARTY HERETO,
as Guarantors,

BANK OF AMERICA, N.A.,
as Administrative Agent,

KEYBANK NATIONAL ASSOCIATION
and
WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Co-Syndication Agents

U.S. BANK NATIONAL ASSOCIATION,
as Documentation Agent

REGIONS BANK,
as Managing Agent

and

The Lenders and Letter of Credit Issuers Party Hereto

BofA SECURITIES, INC.,
KEYBANC CAPITAL MARKETS,
WELLS FARGO SECURITIES, LLC
and
U.S. BANK NATIONAL ASSOCIATION,
as Joint Lead Arrangers

BofA SECURITIES, INC.,
KEYBANC CAPITAL MARKETS
and
WELLS FARGO SECURITIES, LLC,
as Joint Bookrunners

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SCHEDULES

EXHIBITS

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

This SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement") is entered into as of July 27, 2018, among APPLE HOSPITALITY REIT, INC., a Virginia corporation (the "Borrower"), certain subsidiaries of the Borrower from time to time party hereto, as Guarantors, each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), each L/C Issuer from time to time party hereto, and BANK OF AMERICA, N.A., as Administrative Agent and Swing Line Lender.

The Borrower and certain subsidiaries of the Borrower are party to that certain Amended and Restated Credit Agreement, dated as of May 18, 2015, with certain financial institutions and Bank of America, N.A., as administrative agent, as amended through but excluding the date hereof (as so amended, the "Existing Credit Agreement"). The parties hereto now wish to amend and restate the Existing Credit Agreement in its entirety, but not as a novation, on the terms and subject to the conditions hereinafter set forth.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree that the Existing Credit Agreement is amended and restated in its entirety as follows:

ARTICLE I. DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms

. As used in this Agreement, the following terms shall have the meanings set forth below:

"Additional Investment Proceeds" has the meaning specified in Section 2.05(d)(ii).

"Additional Pari Passu Lien Obligations" has the meaning specified in Section 7.03(a)(x).

"Adjusted Consolidated EBITDA" means, for any period, an amount equal to (a) Consolidated EBITDA for such period, minus (b) the aggregate FF&E Reserves for all Real Estate for such period, minus (c) the Consolidated Group Pro Rata Share of an amount equal to four percent (4%) of all revenues and receipts of any kind derived by Unconsolidated Affiliates from owning or operating real property for such period.

"Adjusted NOI" means, with respect to any Real Estate as of any date of determination and for a given period, an amount equal to (a) the Net Operating Income of such Real Estate, minus (to the extent not reflected as a reduction to Net Operating Income) (b) the greater of (i) actual franchise fees paid in respect of such Real Estate and (ii) an amount equal to four percent (4%) of the Gross Revenues from such Real Estate, minus (c) the FF&E Reserve for such Real Estate, in each case for the then most recently ended period of four consecutive fiscal quarters of the Borrower; which amount will be adjusted, if specifically required, to reflect subsequent events or conditions on a Pro Forma Basis; provided, that solely for purposes of calculating Unencumbered Real Estate Value, the Adjusted NOI of any Unencumbered Eligible Property that has at the time of determination been owned or ground leased pursuant to an Eligible Ground Lease by the Borrower or a Subsidiary thereof for less than four full fiscal quarters and has Net Operating Income for the four full fiscal quarters immediately prior to any date of determination (including, to the extent applicable, periods prior to the ownership thereof by the Borrower or a Subsidiary)

shall be calculated on a Pro Forma Basis; provided, further, that solely for the purposes of calculating Unencumbered Real Estate Value, with respect to any Unencumbered Eligible Property that has at the time of determination been owned or ground leased pursuant to an Eligible Ground Lease by the Borrower or a Subsidiary thereof for less than four full fiscal quarters and that does not have Net Operating Income for the four full fiscal quarters immediately prior to any date of determination, the Adjusted NOI for such Unencumbered Eligible Property for the fiscal quarter in which such acquisition was made and the first full three fiscal quarters following such acquisition shall be mutually agreed upon by the Administrative Agent and the Borrower at the time of acquisition thereof.

"Administrative Agent" means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 11.02, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in substantially the form of Exhibit F-2 or any other form approved by the Administrative Agent.

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

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

"Aggregate Deficit Amount" has the meaning specified in Section 10.11.

"Aggregate Excess Amount" has the meaning specified in Section 10.11.

"Agreement" has the meaning specified in the introductory paragraph hereto.

"Apple Nine Hospitality" means Apple Nine Hospitality Ownership, Inc., a Virginia corporation and an indirect, Wholly Owned Subsidiary of the Borrower.

"Apple Nine Seattle" means Apple Nine Seattle Fee Owner, Inc., a Virginia corporation and a direct, Wholly Owned Subsidiary of Apple Nine Hospitality.

"Applicable Fee Rate" means, with respect to any day, the per annum fee rate set forth opposite the Revolver Usage for such day in the following pricing grid:

Revolver Usage	**Applicable Fee Rate**
< 50%	0.25%
≥ 50%	0.20%

"Applicable Percentage" means (a) in respect of the Term A-1 Facility, with respect to any Term A-1 Lender at any time, the percentage (carried out to the ninth decimal place) of the Term A-1 Facility represented by the principal amount of the Term A-1 Loan held by such Term A-1 Lender at such time, (b) in respect of the Term A-2 Facility, with respect to any Term A-2 Lender at any time, the percentage (carried out to the ninth decimal place) of the Term A-2 Facility represented by the principal amount of the Term A-2 Loan held by such Term A-2 Lender at such time, (c) in respect of each Incremental TL Facility, with respect to any Term Lender at any time, the percentage (carried out to the ninth decimal place) of such Incremental TL Facility represented by the principal amount of the Term Loans made under such Incremental TL Facility and held by such Term Lender at such time, (d) in respect of the Revolving Credit Facility, with respect to any Revolving Credit Lender at any time, the percentage (carried out to the ninth decimal place) of the Revolving Credit Facility represented by such Revolving Credit Lender's Revolving Credit Commitment at such time, provided, that if the commitment of each Revolving Credit Lender to make Revolving Credit Loans and the obligation of the L/C Issuers to make L/C Credit Extensions have been terminated pursuant to Section 8.02, or if the Revolving Credit Commitments have expired, then the Applicable Percentage of each Revolving Credit Lender in respect of the Revolving Credit Facility shall be determined based on the Applicable Percentage of such Revolving Credit Lender in respect of the Revolving Credit Facility most recently in effect, giving effect to any subsequent assignments made in accordance with the terms of this Agreement, and (e) in respect of all Facilities, with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Facilities represented by the sum of (x) the aggregate principal amount of such Lender's Term Loans at such time and (y) such Lender's Revolving Credit Commitment at such time, provided, that if the commitment of each Revolving Credit Lender to make Revolving Credit Loans and the obligation of the L/C Issuers to make L/C Credit Extensions have been terminated pursuant to Section 8.02, or if the Revolving Credit Commitments have expired, then the Applicable Percentage of each Lender in respect of all Facilities shall be determined based on the Applicable Percentage of such Lender in respect of all Facilities most recently in effect, giving effect to any subsequent assignments made in accordance with the terms of this Agreement. The initial Applicable Percentage of each Lender in respect of each Facility and all Facilities is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption or New Lender Joinder Agreement pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Rate" means, for any day and subject to the last sentence of this definition:

(a) with respect to any Eurodollar Rate Loan and Base Rate Loan made under the Term A-1 Facility, the Term A-2 Facility or the Revolving Credit Facility, and any Letter of Credit Fee and Facility Fee, as the case may be:

(i) until the Investment Grade Pricing Effective Date, the applicable rate per annum set forth below, based upon the range into which the ratio of Consolidated Leverage Ratio then falls in accordance with the following pricing grid (the "Leverage-Based Applicable Rate"):

Applicable Rate					
		Revolving Credit Facility		**Term A-1 Facility and Term A-2 Facility**	
Pricing Level	**Consolidated Leverage Ratio**	**Eurodollar Rate (and Letters of Credit)**	**Base Rate**	**Eurodollar Rate**	**Base Rate**
Category 1	< 3.0x	1.40%	0.40%	1.35%	0.35%
Category 2	≥ 3.0x – < 3.5x	1.45%	0.45%	1.40%	0.40%
Category 3	≥ 3.5x – < 4.0x	1.50%	0.50%	1.45%	0.45%
Category 4	≥ 4.0x – < 5.0x	1.60%	0.60%	1.55%	0.55%
Category 5	≥ 5.0x – < 5.5x	1.80%	0.80%	1.75%	0.75%
Category 6	≥ 5.5x – < 6.0x	1.95%	0.95%	1.85%	0.85%
Category 7	≥ 6.0x	2.25%	1.25%	2.20%	1.20%

The Consolidated Leverage Ratio shall be determined as of the end of each fiscal quarter based on the financial statements and related Compliance Certificate delivered pursuant to Section 6.01 and Section 6.02(a), respectively, in respect of such fiscal quarter, and each change in rates resulting from a change in the Consolidated Leverage Ratio shall be effective from and including the day when the Administrative Agent receives such financial statements and related Compliance Certificate indicating such change but excluding the effective date of the next such change. Notwithstanding the foregoing, if either the financial statements or related Compliance Certificate are not delivered when due in accordance with Section 6.01 and Section 6.02(a), respectively, then the highest pricing (at Pricing Level Category 7) shall apply as of the first Business Day after the date on which such financial statements and related Compliance Certificate were required to have been delivered and shall continue to apply until the first Business Day immediately following the date such financial statements and related Compliance Certificate are delivered in accordance with Section 6.01 and Section 6.02(a), respectively, whereupon the Applicable Rate shall be adjusted based upon the calculation of the Consolidated Leverage Ratio contained in such Compliance Certificate. The Applicable Rate in effect from the Closing Date through the first Business Day immediately following the date financial statements and a Compliance Certificate are required to

be delivered pursuant to Section 6.01 and Section 6.02(a), respectively, for the first full fiscal quarter ending after the Closing Date shall be at Pricing Level Category 1. Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Rate for any period shall be subject to the provisions of Section 2.10(b); and

(ii) at all times on and after the Investment Grade Pricing Effective Date, the applicable rate per annum set forth in the pricing grid below, based upon such Debt Ratings as set forth below applicable on such date (the "Ratings-Based Applicable Rate"):

Applicable Rate						
		Revolving Credit Facility			**Term A-1 Facility and Term A-2 Facility**	
Pricing Level	**Debt Ratings (S&P and Fitch / Moody's):**	**Facility Fee**	**Eurodollar Rate (and Letters of Credit)**	**Base Rate**	**Eurodollar Rate**	**Base Rate**
Category 1	≥ A- / A3	0.125%	0.825%	0.000%	0.900%	0.000%
Category 2	BBB+ / Baa1	0.150%	0.875%	0.000%	0.950%	0.000%
Category 3	BBB / Baa2	0.200%	1.000%	0.000%	1.100%	0.100%
Category 4	BBB- / Baa3	0.250%	1.200%	0.200%	1.350%	0.350%
Category 5	< BBB- / Baa3 (or unrated)	0.300%	1.550%	0.550%	1.750%	0.750%

For purposes hereof, "Debt Rating" means, as of any date of determination, the rating as determined by any of S&P, Moody's and/or Fitch (collectively, the "Debt Ratings") of the Borrower's non-credit enhanced, senior unsecured long-term debt; provided if at any time the Borrower has only two (2) Debt Ratings, and such Debt Ratings are not equivalent, then: (A) if the difference between such Debt Ratings is one ratings category (e.g. Baa2 by Moody's and BBB- by S&P or Fitch), the Applicable Rates shall be determined based on the higher of the Debt Ratings; and (B) if the difference between such Debt Ratings is two ratings categories (e.g. Baa1 by Moody's and BBB- by S&P or Fitch) or more, the Applicable Rates shall be determined based on the Debt Rating that is one higher than the lower of the applicable Debt Ratings. If at any time the Borrower has three (3) Debt Ratings, and such Debt Ratings are not equivalent, then: (A) if the difference between the highest and the lowest such Debt Ratings is one ratings category (e.g. Baa2 by Moody's and BBB- by S&P or Fitch), the Applicable Rates shall be determined based on the highest of the Debt Ratings; and (B) if the difference between such Debt Ratings is two ratings categories (e.g. Baa1 by Moody's and BBB- by S&P or Fitch) or more, the Applicable Rates shall be determined based on the average of the two (2) highest Debt Ratings, provided that if such average is not a recognized rating category, then the Applicable Rates shall be determined based on the second highest Debt Rating of the three. If at any time the Borrower has only one Debt Rating or has no Debt Ratings, then the Applicable Rates shall be at Pricing Level Category 5. Initially, the Ratings-Based Applicable Rate shall be determined based upon the Debt Ratings specified in the certificate delivered pursuant to clause (ii) of the definition of "Investment Grade

Pricing Effective Date". Thereafter, each change in the Ratings-Based Applicable Rate resulting from a publicly announced change in a Debt Rating shall be effective, in the case of an upgrade, during the period commencing on the date of delivery by the Borrower to the Administrative Agent of notice thereof pursuant to Section 6.03(f) and ending on the date immediately preceding the effective date of the next such change and, in the case of a downgrade, during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's, S&P or Fitch shall change, or if any such rating agency shall cease to be in the business of rating companies or corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation; and

(b) with respect to any Incremental TL Facility, the applicable rate per annum in effect at such time with respect to such Incremental TL Facility as agreed by the Borrower, the Administrative Agent and the Appropriate Lenders in the Incremental TL Facility Documents with respect to such Incremental TL Facility; provided that (x) if the applicable rate with respect to any Incremental TL Facility is based on the Consolidated Leverage Ratio, such applicable rate shall be subject to the paragraph immediately following the pricing grid in clause (a)(i) above and the provisions of Section 2.10(b) and (y) if the applicable rate with respect to any Incremental TL Facility is based on the Borrower's Debt Ratings, such applicable rate shall be subject to the paragraph immediately following the pricing grid in clause (a)(ii) above.

Notwithstanding anything to the contrary contained above in this definition or elsewhere, (i) during any Surge Period each Leverage-Based Applicable Rate and each Ratings-Based Applicable Rate applicable to Eurodollar Rate Loans and Base Rate Loans will be increased by 0.35%, (ii) commencing on the Second Amendment Effective Date through (but not including) the Third Amendment Effective Date, the Applicable Rate shall be (1) with respect to the Revolving Credit Facility, (A) 2.25% for any Eurodollar Rate Loan made thereunder and the Letter of Credit Fee and (B) 1.25% for any Base Rate Loan made thereunder and (2) with respect to the Term A-1 Facility or the Term A-2 Facility, (A) 2.20% for any Eurodollar Rate Loan made thereunder and (B) 1.20% for any Base Rate Loan made thereunder, (iii) commencing on the Third Amendment Effective Date through and including the Covenant Waiver Period Termination Date, the Applicable Rate shall be (1) with respect to the Revolving Credit Facility, (A) 2.40% for any Eurodollar Rate Loan made thereunder and the Letter of Credit Fee and (B) 1.40% for any Base Rate Loan made thereunder and (2) with respect to the Term A-1 Facility or the Term A-2 Facility, (A) 2.35% for any Eurodollar Rate Loan made thereunder and (B) 1.35% for any Base Rate Loan made thereunder and (iv) in connection with any calculation relating to the Consolidated Leverage Ratio for purposes of the Applicable Rate, the calculated amounts shall be annualized (as more fully described in the definition of Consolidated Leverage Ratio) to the extent the period from the Covenant Waiver Period Termination Date through the then most-recently ended fiscal quarter is not at least four (4) fiscal quarters, in the case of any applicable period that is based on four (4) fiscal quarters.

"Applicable Revolving Credit Percentage" means with respect to any Revolving Credit Lender at any time, such Revolving Credit Lender's Applicable Percentage in respect of the Revolving Credit Facility at such time.

"Appropriate Lender" means, at any time, (a) with respect to the Term A-1 Facility, a Term A-1 Lender, (b) with respect to the Term A-2 Facility, a Term A-2 Lender, (c) with respect to the Revolving Credit Facility, a Revolving Credit Lender, (d) with respect to any Incremental TL Facility, a Lender holding Term Loans of such Incremental TL Facility, (e) with respect to the Letter of Credit Subfacility, (i) the L/C Issuers and (ii) if any Letters of Credit have been issued pursuant to Section 2.03(a), the Revolving Credit Lenders and (f) with respect to the Swing Line Subfacility, (i) the Swing Line Lender and (ii) if any Swing Line Loans are outstanding pursuant to Section 2.04(a), the Revolving Credit Lenders.

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

"Arrangers" means BofA Securities, Inc., KeyBanc Capital Markets, Wells Fargo Securities, LLC, and U.S. Bank National Association, each in its capacity as a joint lead arranger.

"Assignee Group" means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit F-1 or any other form (including electronic documentation generated by use of an electronic platform) approved by the Administrative Agent.

"Attributable Indebtedness" means, on any date, (a) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

"Audited Financial Statements" means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2017, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

"Availability Period" means, the period from and including the Closing Date to the earliest of (i) the Revolving Credit Maturity Date, (ii) the date of termination of the Revolving Credit Facility pursuant to Section 2.06, and (iii) the date of termination of the commitment of each Revolving Credit Lender to make Revolving Credit Loans and of the obligation of each L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Affected 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, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bank of America" means Bank of America, N.A. and its successors.

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate," and (c) the Eurodollar Rate plus 1.00%. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America'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 rate announced by Bank of America 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 3.03 or Section 3.07, then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

Notwithstanding anything to the contrary contained herein, at any time that the Base Rate determined in accordance with the foregoing is less than 1.25%, such rate shall be deemed 1.25% for purposes of this Agreement (except for the Term A-1 Hedged Portion and the Term A-2 Hedged Portion).

"Base Rate Committed Loan" means a Committed Loan that is a Base Rate Loan.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Base Rate Revolving Credit Loan" means a Revolving Credit Loan that is a Base Rate Loan.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"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."

"Bookrunners" means BofA Securities, Inc., KeyBanc Capital Markets and Wells Fargo Securities, LLC, each in its capacity as a joint bookrunner.

"Borrower" has the meaning specified in the introductory paragraph hereto.

"Borrower Materials" has the meaning specified in Section 6.02.

"Borrowing" means a Committed Borrowing or a Swing Line Borrowing, as the context may require.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

"Capital Expenditures" means, with respect to any Person for any period, any expenditure in respect of the purchase or other acquisition, or improvement, of any fixed or capital asset (excluding (i) normal replacements and maintenance which are properly charged to current operations and (ii) expenditures funded for the rebuilding of the affected asset with cash proceeds received by any member of the Consolidated Group as a result of an Insurance and Condemnation Event).

"Capitalization Rate" means, in the case of any property located in the central business district of New York City, San Francisco, Washington, D.C., Los Angeles, Boston or San Diego, seven and one-quarter percent (7.25%), and in the case of any other property, seven and three-quarters percent (7.75%).

"Capitalized Lease" means a lease under which the discounted future rental payment obligations of the lessee or the obligor are required to be capitalized on the balance sheet of such Person in accordance with GAAP.

"Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the L/C Issuers or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if the Administrative Agent and the applicable L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and the applicable L/C Issuer. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Equivalents" means:

(a) United States dollars (including such dollars as are held as overnight bank deposits and demand deposits with banks);

(b) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency or instrumentality thereof and backed by the full faith and credit of the United States of America, in each case maturing within one year from the date of acquisition thereof;

(c) marketable direct obligations issued by any State of the United States of America or any political subdivision of any such State or any public instrumentality thereof

maturing within one year from the date of acquisition thereof and, at the time of acquisition, having a rating of at least A-2 from S&P or at least P-2 from Moody's;

(d) commercial paper maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-2 from S&P or at least P-2 from Moody's;

(e) time deposits, demand deposits, certificates of deposit, Eurodollar time deposits, time deposit accounts, term deposit accounts or bankers' acceptances maturing within one year from the date of acquisition thereof or overnight bank deposits, in each case, issued by any bank organized under the laws of the United States of America or any State thereof or the District of Columbia or any U.S. branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than $500,000,000; and

(f) investments in money market funds which invest substantially all their assets in securities of the types described in clauses (a) through (e) above.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

"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 (including without limitation, Regulation D issued by the FRB), 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 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 or issued.

"Change of Control" means an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of 35% or more of the equity securities of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis (and

taking into account all such securities that such person or group has the right to acquire pursuant to any option right);

(b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body;

(c) the passage of thirty days from the date upon which any Person or two or more Persons acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of the Borrower, or control over the equity securities of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis (and taking into account all such securities that such Person or group has the right to acquire pursuant to any option right) representing 35% or more of the combined voting power of such securities; or

(d) the Borrower shall cease, directly or indirectly, to Control any of the other Loan Parties, in each case other than as the result of a release of a Guarantor required under Section 10.10.

"Closing Date" means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 11.01.

"Code" means the Internal Revenue Code of 1986.

"Collateral" has the meaning specified in Section 6.20.

"Collateral Release" means the release of the Liens granted to the Administrative Agent pursuant to the requirements of Section 6.20 and the Pledge Agreement.

"Collateral Release Conditions" means, as at any date, each of the following:

(a) the Covenant Waiver Period Termination Date has occurred;

(b) the Borrower shall have delivered to the Administrative Agent, at least 10 Business Days prior to the proposed effective date of the Collateral Release (or such shorter period of time as agreed to by the Administrative Agent in writing), a written notice requesting the Collateral Release;

(c) either (i) the Consolidated Leverage Ratio as of the last day of each of the two consecutive fiscal quarters ended on or prior to such date is less than or equal to 6.50 to 1.00 or (ii) the Consolidated Leverage Ratio as of the last day of the most recent fiscal quarter ended on or prior to such date is less than or equal to 6.00 to 1.00, in each case, as reflected on the Compliance Certificate(s) for the relevant period(s) delivered pursuant to Section 6.02(a); provided that in connection with any calculation of the Consolidated Leverage Ratio for purposes of this clause (c), the calculated amounts shall be annualized (as more fully described in the definition of Consolidated Leverage Ratio) to the extent the period from the Covenant Waiver Period Termination Date through the then most-recently ended fiscal quarter is not at least four (4) fiscal quarters, in the case of any applicable period that is based on four (4) fiscal quarters;

(d) no Collateral secures any other Indebtedness (except Indebtedness in respect of which such Lien shall be released substantially concurrently with the release hereunder);

(e) immediately before and immediately after giving effect to the Collateral Release, (i) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects (or, in the case of Section 5.19, all respects) on and as of the effective date of the Collateral Release, except (x) to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, (y) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such date (including such earlier date set forth in the foregoing clause (x)) after giving effect to such qualification and (z) for purposes of this definition, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01, and (ii) no Default exists or would result therefrom; and

(f) the Administrative Agent shall have received a certificate executed by a Responsible Officer of the Borrower dated the proposed effective date of the Collateral Release certifying to the Administrative Agent that the conditions in clauses (c) through (e) above have been satisfied.

"Commitments" means, collectively, the Revolving Credit Commitments, Term A-1 Commitments and Term A-2 Commitments.

"Committed Borrowing" means a Revolving Credit Borrowing or a Term Borrowing, as the context may require.

"Committed Loan" means a Term Loan or a Revolving Credit Loan, as the context may require.

"Committed Loan Notice" means a notice of (a) a Committed Borrowing, (b) a conversion of Committed Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit A 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.

"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.

"Compliance Certificate" means a certificate substantially in the form of Exhibit E.

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

"Consolidated EBITDA" means for any period, determined in accordance with GAAP and without duplication, the sum of (a) Net Income (or Loss) of the Borrower and its Subsidiaries on a consolidated basis, plus (b) the following (but only to the extent included in the calculation of such Net Income (or Loss)): (i) depreciation and amortization expense; (ii) Consolidated Interest Expense; (iii) income tax expense; (iv) extraordinary or non-recurring gains and losses; (v) gains and losses from sales of assets; (vi) closing costs related to the acquisition of properties that were capitalized prior to FAS 141-R which do not represent a recurring cash item in such period or in any future period; (vii) all non-cash items with respect to straight-lining of rents materially decreasing Net Income (or Loss) for such period, (viii) all other non-cash items decreasing Net Income (or Loss) (including non-cash expenses or losses with respect to any long-term ground lease or building lease that is treated as a capital lease in accordance with GAAP), minus (c) (i) all non-cash items with respect to straight-lining of rents materially increasing Net Income (or Loss) for such period and (ii) all other non-cash items increasing Net Income (or Loss) for such period (including non-cash revenues or gains with respect to any long-term ground lease or building lease that is treated as a capital lease in accordance with GAAP); provided, that to the extent that calculations under clauses (a), (b) and (c) above include amounts allocable to Unconsolidated Affiliates, such calculations shall be without duplication and shall only include the Consolidated Group Pro Rata Share of such items attributable to the Consolidated Group's interests in Unconsolidated Affiliates.

"Consolidated Fixed Charges" means, with respect to the Borrower and its Subsidiaries on a consolidated basis for any period, the sum of (a) Consolidated Interest Expense for such period, (b) all regularly scheduled principal payments made or required to be made with respect to Indebtedness of the Borrower and its Subsidiaries during such period, other than any balloon or bullet payments necessary to repay maturing Indebtedness in full, (c) all Preferred Distributions paid (or amounts divided or distributed to the Borrower and which are used by the Borrower to make Preferred Distributions) during such period, and (d) the Consolidated Group Pro Rata Share of the foregoing items and components referenced in clauses (a) through (c) attributable to the Consolidated Group's interests in Unconsolidated Affiliates.

"Consolidated Group" means, collectively, the Loan Parties and their Consolidated Subsidiaries.

"Consolidated Group Pro Rata Share" means, with respect to any Unconsolidated Affiliate or any non-Wholly Owned Subsidiary, the percentage interest held by the Borrower and its Wholly Owned Subsidiaries, in the aggregate, in such Person determined by calculating the percentage of Equity Interests of such Person owned by the Borrower and its Wholly Owned Subsidiaries.

"Consolidated Implied Interest Expense" means, with respect to any item of Consolidated Unsecured Indebtedness for any period, the greater of (i) the actual Consolidated Interest Expense attributable thereto and (ii) Consolidated Interest Expense attributable thereto assuming such Consolidated Unsecured Indebtedness bore interest at a per annum rate of 6.00%.

"Consolidated Interest Expense" means, for any period, without duplication, the sum of (i) the Interest Expense of the Borrower and its Subsidiaries determined on a consolidated basis and (ii) the Consolidated Group Pro Rata Share of the Interest Expense attributable to the Consolidated Group's interests in Unconsolidated Affiliates.

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Total Net Indebtedness as of such date to (b) Consolidated EBITDA for the appropriate period (as set forth below) most recently ended as of such date, determined as follows (i) from the Covenant Waiver Period Termination Date through the last day of the fiscal quarter during which the Covenant Waiver Period Termination Date occurs, Consolidated EBITDA shall be measured as Consolidated EBITDA for the one fiscal quarter period most recently ended as of such date, multiplied by 4, (ii) from the first day of the fiscal quarter immediately following the fiscal quarter during which the Covenant Waiver Period Termination Date occurs through the last day of such fiscal quarter, Consolidated EBITDA shall be measured as Consolidated EBITDA for the two fiscal quarter period most recently ended as of such date, multiplied by 2, (iii) from the first day of the second fiscal quarter following the fiscal quarter during which the Covenant Waiver Period Termination Date occurs through the last day of such fiscal quarter, Consolidated EBITDA shall be measured as Consolidated EBITDA for the three fiscal quarter period most recently ended as of such date, multiplied by 4/3 and (iv) in the case of each fiscal quarter ending thereafter, Consolidated EBITDA shall be measured as Consolidated EBITDA for the period of four full fiscal quarters then most recently ended.

"Consolidated Secured Indebtedness" means, at any time, the portion of Consolidated Total Indebtedness at such time that is Secured Indebtedness.

"Consolidated Secured Recourse Indebtedness" means, at any time, Consolidated Secured Indebtedness that is not Non-Recourse Indebtedness.

"Consolidated Subsidiaries" means, as to any Person, all Subsidiaries of such Person that are consolidated with such Person for financial reporting purposes under GAAP. Unless otherwise specified, all references herein to "Consolidated Subsidiaries" shall refer to the Consolidated Subsidiaries of the Borrower.

"Consolidated Tangible Net Worth" means, as of any date of determination, for the Borrower and its Subsidiaries on a consolidated basis, Shareholders' Equity of the Borrower and its Subsidiaries on that date minus the Intangible Assets of the Borrower and its Subsidiaries on that date, plus (c) all accumulated depreciation and amortization of the Borrower and its Subsidiaries on a consolidated basis, in each case on a consolidated basis determined in accordance with GAAP.

"Consolidated Total Assets" means, at any time, on a consolidated basis for the Borrower and its Subsidiaries, an amount equal to the aggregate undepreciated book value of (i) all assets

owned by the Borrower and its Subsidiaries on a consolidated basis and (ii) the Consolidated Group Pro Rata Share of assets owned by Unconsolidated Affiliates, less (a) Intangible Assets and (b) the Consolidated Group Pro Rata Share of Intangible Assets attributable to the Consolidated Group's interests in Unconsolidated Affiliates; provided, that notwithstanding the foregoing any Investments in excess of the following limitations on specified classes of Investments shall be excluded from calculations of Consolidated Total Assets:

1. unimproved land holdings (including investments made through the purchase or other acquisition of all of the Equity Interests in any Person that owns unimproved land holdings) in an aggregate amount in excess of five percent (5%) of Consolidated Total Assets;
2. mortgages, mezzanine loans and notes receivable in excess of fifteen percent (15%) of Consolidated Total Assets;
3. real properties under development in an aggregate amount in excess of fifteen percent (15%) of Consolidated Total Assets;
4. Unconsolidated Affiliates in an aggregate amount in excess of fifteen percent (15%) of Consolidated Total Assets;
5. Equity Interests in Persons that are not Unconsolidated Affiliates or Consolidated Subsidiaries in an aggregate amount in excess of five percent (5%) of Consolidated Total Assets; and
6. Non-hotel related assets or activities (including investments made through the purchase or other acquisition of all of the Equity Interests in any Person that owns non-hotel related assets) in an aggregate amount in excess of five percent (5%) of Consolidated Total Assets.

In addition, the aggregate amount of Investments in the specified classes of assets identified in clauses 1 through 6 above that is in excess of thirty percent (30%) of Consolidated Total Assets shall be excluded from calculations of Consolidated Total Assets.

Determinations of whether an Investment has resulted in an excess contribution to Consolidated Total Assets will be made after giving effect to that Investment.

"Consolidated Total Indebtedness" means, as of any date of determination, the then aggregate outstanding amount of all Indebtedness of the Borrower and its Subsidiaries on a consolidated basis.

"Consolidated Total Net Indebtedness" means, as of any date of determination, (a) Consolidated Total Indebtedness minus (b) the Unrestricted Cash Amount.

"Consolidated Unsecured Indebtedness" means, at any time, the then aggregate amount of Consolidated Total Indebtedness that at such time constitutes Unsecured Indebtedness.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

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

"Corresponding Percentage" means, with respect to any Other Debt Prepayment, the quotient (expressed as a percentage carried out to the ninth decimal place) equal to (i) the amount of such Other Debt Prepayment *divided by* (ii) the aggregate outstanding amount of the Indebtedness to which such Other Debt Prepayment is applied determined immediately prior to the making of such Other Debt Prepayment.

"Covenant Waiver Period" means the period commencing on the Second Amendment Effective Date and ending on the earlier to occur of (a) for purposes of Sections 7.11(d) and (e), (i) the date the Borrower is required to deliver a duly completed Compliance Certificate for the fiscal quarter ending March 31, 2022 pursuant to Section 6.02(a) (or, if earlier, the date on which the Borrower delivers such Compliance Certificate pursuant to Section 6.02(a)) and (ii) the date the Borrower delivers a Compliance Certificate in accordance with Section 6.02(a) with respect to any fiscal quarter ending after the Second Amendment Effective Date but prior to March 31, 2022, together with a written notice to the Administrative Agent irrevocably electing to terminate the Covenant Waiver Period concurrently with such delivery, and (b) for all other purposes under this Agreement, (i) the date the Borrower is required to deliver a duly completed Compliance Certificate for the fiscal quarter ending June 30, 2022 pursuant to Section 6.02(a) (or, if earlier, the date on which the Borrower delivers such Compliance Certificate pursuant to Section 6.02(a)) and (ii) the date the Borrower delivers a Compliance Certificate in accordance with Section 6.02(a) with respect to any fiscal quarter ending after the Second Amendment Effective Date but prior to June 30, 2022, together with a written notice to the Administrative Agent irrevocably electing to terminate the Covenant Waiver Period concurrently with such delivery.

"Covenant Waiver Period Termination Date" means (a) for purposes of Sections 7.11(d) and (e), the earlier date occurring under clauses (a)(i) and (a)(ii) of the definition of "Covenant Waiver Period", and (b) for all other purposes under this Agreement, the earlier date occurring under clauses (b)(i) and (b)(ii) of the definition of "Covenant Waiver Period".

"COVID-19 Relief Funds" means funds or credit or other support received by the Borrower or any Subsidiary of the Borrower from, or with the credit or other support of, any Governmental Authority, and incurred with the intent to mitigate (in the good faith determination of the Borrower) through liquidity or other financial relief the impact of the COVID-19 global pandemic on the business and operations of the Borrower and its Subsidiaries.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Creditor Parties" means, collectively, the Administrative Agent, the Lenders, the L/C Issuers, the Swap Banks, and each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.05, and the other Persons to whom the Obligations are owing.

"Customary Non-Recourse Carve-Outs" means, with respect to any Non-Recourse Indebtedness, exclusions from the exculpation provisions with respect to such Non-Recourse Indebtedness for fraud, misapplication of funds, environmental claims, voluntary bankruptcy, collusive involuntary bankruptcy and other circumstances customarily excluded by institutional lenders from exculpation provisions and/or included in separate indemnification agreements in non-recourse financings of real estate.

"Debt Issuance" means the issuance of any Indebtedness for borrowed money (including Guarantees thereof) by any member of the Consolidated Group.

"Debt Rating" has the meaning specified in the definition of "Applicable Rate".

"Debtor Relief Laws" means the Bankruptcy Code of the United States, 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.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate, plus (ii) the Applicable Rate for Base Rate Loans under the Revolving Credit Facility, plus (iii) 2.00% per annum; provided, however, that (x) with respect to a Base Rate Loan, the Default Rate shall be an interest rate equal to (i) the Base Rate, plus (ii) the Applicable Rate for Base Rate Loans for the Facility under which such Loan was made, plus (iii) 2.00% per annum and (y) with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to (i) the Eurodollar Rate, plus (ii) the Applicable Rate for Eurodollar Rate Loans for the Facility under which such Loan was made, plus (iii) 2.00% per annum, and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate then applicable to Letter of Credit Fees, plus 2.00% per annum.

"Defaulting Lender" means, subject to Section 2.17(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit, Swing Line Loans or amounts payable pursuant to Section 11.04(c)) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, any L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by

the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, the L/C Issuers, the Swing Line Lender and each other Lender promptly following such determination.

"Designated Jurisdiction" means any country, region or territory to the extent that such country, region or territory itself is the subject of any Sanction.

"Designation Notice" means a notice from any Lender or an Affiliate of a Lender substantially in the form of Exhibit J.

"Direct Owner" has the meaning specified in the definition of "Unencumbered Eligible Property".

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction, division, merger or disposition of Equity Interests) of any property by any Person (or the granting of any option or other right to do any of the foregoing), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith and including any disposition of property to a Division Successor pursuant to a Division. For the avoidance of doubt, (a) the disposition of Equity Interests in a Subsidiary of the Borrower or the issuance of Equity Interests by a Subsidiary of the Borrower, in each case to a Person other than the Borrower or a Wholly Owned Subsidiary thereof, shall be deemed a Disposition of such Equity Interests to the recipient thereof and (b) leases of personal or real property (other than sale and leaseback transactions) entered into in the ordinary course of business shall not be deemed to be Dispositions.

"Distribution" means any (a) dividend or other distribution, direct or indirect, on account of any Equity Interest of any Guarantor, the Borrower, or any of their respective Subsidiaries now or hereafter outstanding, except a dividend payable solely in Equity Interests of identical class to

the holders of that class, (b) redemption, conversion, exchange, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any Equity Interest of any Guarantor, the Borrower, or any of their respective Subsidiaries now or hereafter outstanding and (c) payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any Equity Interests of any Guarantor, the Borrower, or any of their respective Subsidiaries now or hereafter outstanding.

"Dividing Person" has the meaning given that term in the definition of "Division."

"Division" means the division of the assets, liabilities and/or obligations of a Person (the "Dividing Person") among two or more Persons (whether pursuant to a "plan of division" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

"Division Successor" means any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

"Dollar" and "$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of any political subdivision of the United States.

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

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

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 11.06(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 11.06(b)(iii)).

"Eligible Ground Lease" means a ground lease as to which no default or event of default has occurred or with the passage of time or the giving of notice would occur and containing the following terms and conditions: (a) a remaining term (inclusive of any unexercised extension options) of twenty-five (25) years or more from the Closing Date; (b) the right of the lessee to mortgage and encumber its interest in the leased property without the consent of the lessor; (c) the

obligation of the lessor to give the holder of any mortgage lien on such leased property written notice of any defaults on the part of the lessee and agreement of such lessor that such lease will not be terminated until such holder has had a reasonable opportunity to cure or complete foreclosure, 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 the leasehold estate demised pursuant to a ground lease.

"Environmental Laws" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"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, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the 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 acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding 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 Borrower.

"Equity Issuance" means any issuance by the Borrower of shares of its Equity Interests to any Person (other than any Affiliates), including in connection with the exercise of options or warrants or the conversion of any debt securities to equity and including any equity-linked securities and convertible debt securities.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and

Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"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.

"Eurodollar Rate" means:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to the London Interbank Offered Rate ("LIBOR") or a comparable or successor rate, which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time determined two Business Days prior to such date for Dollar deposits with a term of one month commencing that day;

provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

Notwithstanding anything to the contrary contained herein, at any time that the Eurodollar Rate determined in accordance with the foregoing is less than 0.25%, such rate shall be deemed 0.25%

for purposes of this Agreement (except for the Term A-1 Hedged Portion and the Term A-2 Hedged Portion).

"Eurodollar Rate Loan" means a Committed Loan that bears interest at a rate based on clause (a) of the definition of "Eurodollar Rate."

"Event of Default" has the meaning specified in Section 8.01.

"Excluded Disposition" means a Disposition (a) of personal property not constituting Equity Interests to the extent that such personal property is not necessary for, or the Disposition thereof is not materially adverse to the ability of, the Person Disposing of such assets to operate the business in the same manner as operated on the Second Amendment Effective Date and made in the ordinary course of business, (b) of any property by one member of the Consolidated Group to another member thereof (excluding Dispositions made at any time during the Covenant Waiver Period to a Person that is not a Wholly Owned Subsidiary) or (c) that results from an Insurance and Condemnation Event occurring during the Covenant Waiver Period (solely to the extent that the Borrower shall have confirmed in writing to the Administrative Agent that the Borrower has a reasonable expectation to reinvest such Net Cash Proceeds from such Insurance and Condemnation Event in the restoration or rebuilding of the applicable affected asset).

"Excluded Indebtedness" means (a) Indebtedness for borrowed money expressly permitted to be incurred or issued in reliance on clause (i), (ii), (iii), (iv), (v), (viii), (ix) or (x) of Section 7.03(a), excluding any such Indebtedness that constitutes Permitted Refinancing Indebtedness to the extent that the proceeds thereof are required pursuant to the definition of Permitted Refinancing Indebtedness to be applied as a mandatory prepayment in accordance with Section 2.05(d) and (b) to the extent elected by the Borrower in a writing furnished to the Administrative Agent prior to the incurrence thereof, Indebtedness for borrowed money incurred in reliance on clause (vi) of Section 7.03(a).

"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 Guarantee 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 (determined after giving effect to Section 10.12 and any other "keepwell, support or other agreement" for the benefit of such Guarantor and any and all guarantees of such Guarantor's Swap Obligations by other Loan Parties) at the time the Guaranty of such Guarantor, or a grant by such Guarantor of a security interest, becomes effective with respect to such 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 Guarantee or security interest is or becomes excluded in accordance with the first sentence of this definition.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes,

in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 11.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii), (a)(iii) or (c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Existing Credit Agreement" has the meaning specified in the introductory paragraph hereto.

"Existing Note" means a Note (as defined in the Existing Credit Agreement).

"Extension Notice" has the meaning specified in Section 2.14(a).

"Facility" means the Revolving Credit Facility, the Term A-1 Facility, the Term A-2 Facility and each Incremental TL Facility, as the context may require, and "Facilities" is a collective reference to the Term Facilities and the Revolving Credit Facility.

"Facility Fee" has the meaning specified in Section 2.09(a).

"FASB ASC" means the Accounting Standards Codification of the Financial Accounting Standards Board.

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

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

"Fee Letter" means the letter agreement, dated June 6, 2018, among the Borrower, the Administrative Agent, the Bookrunners and the affiliated Lenders of the Bookrunners.

"FF&E Reserve" means, for any Real Estate for any period, an amount equal to four percent (4%) of Gross Revenues from such Real Estate for such period.

"First Extended Revolving Credit Maturity Date" has the meaning specified in Section 2.14(a).

"Fitch" means Fitch, Inc. and any successor thereto.

"Foreign Lender" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Fourth Amendment Effective Date" means June 4, 2021.

"Franchise Agreement" means a license or franchise agreement between a Loan Party and a Franchisor.

"Franchisor" means a Person that licenses or franchises its hotel brand to hotel owners or operators.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuers, such Defaulting Lender's Applicable Percentage of the Outstanding Amount of all outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender's Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

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

"Funds From Operations" means, with respect to any period and without double counting, an amount equal to the Net Income (or Loss) of the Borrower and its Subsidiaries for such period, excluding gains (or losses) from sales of property, plus depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures; provided that "Funds From Operations" shall exclude impairment charges, charges from the early extinguishment of indebtedness and other non-cash charges as evidenced by a certification of a Responsible Officer of the Borrower containing calculations in reasonable detail satisfactory to the Administrative Agent. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect "Funds From Operations" on the same basis. In addition, "Funds from Operations" shall be adjusted to remove any impact of the expensing of acquisition costs pursuant to FAS 141 (revised), as issued by the Financial Accounting Standards Board in December of 2007, and effective January

1, 2009, including, without limitation, (i) the addition to Net Income (or Loss) of costs and expenses related to ongoing consummated acquisition transactions during such period; and (ii) the subtraction from Net Income (or Loss) of costs and expenses related to acquisition transactions terminated during such period.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States 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 Revenues" means, with respect to any Real Estate, all revenues and receipts of any kind derived from owning or operating such Real Estate determined in accordance with GAAP.

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guaranteed Obligations" has the meaning specified in Section 10.01.

"Guarantor Release Notice" has the meaning specified in Section 10.10(b).

"Guarantors" means, collectively, (a) each Subsidiary of the Borrower that, as of the Closing Date, is a Direct Owner or Indirect Owner of any Unencumbered Eligible Property, (b) each other Subsidiary of the Borrower that joins as a Guarantor pursuant to Section 6.12 or otherwise, in each case under clauses (a) and (b), together with their successors and permitted assigns, to the extent such Subsidiary has not been released from its obligations hereunder in accordance with Section 10.10, (c) each Subsidiary of the Borrower that is reinstated as a Guarantor, in each case, together with their successors and permitted assigns, to the extent such Subsidiary has not been released from its obligations hereunder in accordance with Section 10.10 following such reinstatement and (d) with respect to the payment and performance by each Specified Loan Party of its obligations under its Guaranty with respect to all Swap Obligations, the Borrower.

"Guaranty" means the Guaranty made by the Guarantors under Article X in favor of the Creditor Parties.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances or wastes, including petroleum or petroleum distillates, natural gas, natural gas liquids, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, toxic mold, infectious or medical wastes and all other substances, wastes, chemicals, pollutants, contaminants or compounds of any nature in any form regulated pursuant to any Environmental Law.

"Hedge Change Notice" has the meaning specified in Section 2.19.

"Honor Date" has the meaning specified in Section 2.03(c)(i).

"Hotel Property" means Real Estate upon which is located an operating hotel property.

"Huntington Term Loan" has the meaning specified in the Intercreditor Agreement

"Huntington Term Loan Obligations" has the meaning specified in the Intercreditor Agreement.

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

"Impacted Loans" has the meaning specified in Section 3.03.

"Increase Effective Date" has the meaning specified in Section 2.15(b).

"Incremental Facilities" has the meaning specified in Section 2.15(a)

"Incremental Revolving Increase" has the meaning specified in Section 2.15(a).

"Incremental Term A-1 Increase" has the meaning specified in Section 2.15(a).

"Incremental Term A-2 Increase" has the meaning specified in Section 2.15(a).

"Incremental TL Facility" has the meaning specified in Section 2.15(a).

"Incremental TL Facility Documents" means, with respect to any Incremental TL Facility, each agreement, instrument and other document evidencing, securing, guaranteeing, or otherwise relating to such Incremental TL Facility, including any applicable New Lender Joinder Agreement.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments, excluding up to $3,000,000 of contingent obligations arising under letters of credit other than Letters of Credit;

(c) net obligations of such Person under any Swap Contract; provided, that if the aggregate net amount of all such obligations is less than $0, the amount of such Person's Indebtedness under this clause (c) shall be $0;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 60 days after the date on which such trade account payable was created);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) capital leases and Synthetic Lease Obligations;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends;

(h) all Off-Balance Sheet Arrangements of such Person; and

(i) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, (i) Indebtedness shall include the Consolidated Group Pro Rata Share of the foregoing items and components attributable to Indebtedness of Unconsolidated Affiliates, (ii) Indebtedness of any Person shall not include equipment leases entered into in the ordinary course of business that are treated as operating leases in accordance with GAAP and (iii) the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture

(other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any capital lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

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

"Indemnitee" has the meaning specified in Section 11.04(b).

"Indirect Owner" has the meaning specified in the definition of "Unencumbered Eligible Property".

"Information" has the meaning specified in Section 11.07.

"Insurance and Condemnation Event" means the receipt by any member of the Consolidated Group of any cash casualty insurance proceeds (for clarity, excluding insurance proceeds for financial (and not property) losses, such as business interruption insurance proceeds) or condemnation award payable by reason of theft, loss, physical destruction or damage, taking or similar event with respect to any of their respective real or personal property.

"Initial Revolving Credit Maturity Date" means July 27, 2022.

"Intangible Assets" means assets that are considered to be intangible assets under GAAP, excluding lease intangibles but including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges, unamortized debt discount and capitalized research and development costs.

"Intercreditor Agreement" means the Intercreditor Agreement, dated as of the Second Amendment Effective Date, by and among (a) the Administrative Agent (in its capacity as Credit Facility Collateral Agent thereunder), (b) the Huntington Collateral Agent, the PNC Collateral Agent, the Regions Collateral Agent and the Prudential Collateral Agent (as such terms are defined in the Intercreditor Agreement), (c) the Borrower, (d) the Subsidiaries of the Borrower from time to time party thereto and (e) any Additional Collateral Agent (as such term is defined in the Intercreditor Agreement) from time to time party thereto.

"Intercreditor Indebtedness" means the Regions Term Loan Obligations, the Huntington Term Loan Obligations, the PNC Term Loan Obligations, the Prudential Note Agreement Obligations and any Additional Pari Passu Lien Obligations, in each case, so long as such Indebtedness remains subject to the Intercreditor Agreement.

"Interest Expense" means, for any period with respect to any Person, without duplication, interest (whether accrued or paid) actually payable, excluding non-cash interest expense but including capitalized interest not funded under an interest reserve pursuant to a specific debt obligation together with the interest portion of payments on Capitalized Leases.

"Interest Payment Date" means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date of the Facility under which such Loan was made; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan), the last Business Day of each March, June, September and December and the Maturity Date of the Facility under which such Loan was made (with Swing Line Loans being deemed made under the Revolving Credit Facility for purposes of this definition).

"Interest Period" means as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, two or three months thereafter (in each case, subject to availability), as selected by the Borrower in its Committed Loan Notice, or such other period that is six months or less requested by the Borrower and consented to by all the Appropriate Lenders; provided that:

(i) 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 Eurodollar Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period pertaining to a Eurodollar Rate Loan 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; and

(iii) no Interest Period shall extend beyond the Maturity Date of the Facility under which such Loan was made.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit or all or a substantial part of the business of, such Person or (d) the purchase, acquisition or other investment in any real property or real property-related assets (including, without limitation, mortgage loans and other real estate-related debt investments, investments in land holdings, and costs to construct real property assets under development). For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment. For purposes hereof, the disposition of Equity Interests in a Subsidiary of the Borrower or the issuance of Equity Interests by a Subsidiary of the Borrower, in each case to a Person other than the Borrower or a Wholly Owned Subsidiary thereof, shall be deemed an Investment in the recipient of such Equity Interests.

"Investment Grade Credit Rating" means receipt of two Debt Ratings of BBB- or higher by S&P or Fitch, or Baa3 or higher by Moody's.

"Investment Grade Permitted Release" has the meaning specified in Section 10.10(a).

"Investment Grade Pricing Effective Date" means the first Business Day following the date on which (i) the Borrower has obtained an Investment Grade Credit Rating and (ii) the Borrower has delivered to the Administrative Agent an Officer's Certificate (x) certifying that an Investment Grade Credit Rating has been obtained and is in effect (which certification shall also set forth the Debt Ratings received, if any, from each of S&P, Moody's and Fitch as of such date) and (y) notifying the Administrative Agent that the Borrower has irrevocably elected to have the Ratings-Based Applicable Rate apply to the pricing of the Facilities.

"IRS" means the United States Internal Revenue Service.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"Issuer Documents" means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by an L/C Issuer and the Borrower (or any Subsidiary) or in favor of such L/C Issuer and relating to such Letter of Credit.

"KeyBank" means KeyBank National Association and its successors.

"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.

"L/C Advance" means, with respect to each Revolving Credit Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Revolving Credit Percentage.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Revolving Credit Borrowing.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Draw Notice" has the meaning specified in Section 2.03(c)(i).

"L/C Issuer" means Bank of America, KeyBank or Wells Fargo in such Person's capacity as an issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

"L/C Obligations" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"L/C Reimbursement Date" has the meaning specified in Section 2.03(c)(i).

"Lender" has the meaning specified in the introductory paragraph hereto and, unless the context requires otherwise, includes the Swing Line Lender.

"Lender Swap Contract" means any interest rate Swap Contract not prohibited by Article VI or VII that is entered into by and between the Borrower and any Swap Bank.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent, which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires each reference to a Lender shall include its applicable Lending Office.

"Letter of Credit" means any standby letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by an L/C Issuer.

"Letter of Credit Fee" has the meaning specified in Section 2.03(h).

"Letter of Credit Issuance Expiration Date" means the day that is seven days prior to the Revolving Credit Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

"Letter of Credit Subfacility" means, at any time, an amount equal to the lesser of (a) the aggregate amount of the L/C Issuers' Letter of Credit Sublimits at such time and (b) the Revolving Credit Facility at such time. The Letter of Credit Subfacility is part of, and not in addition to, the Revolving Credit Facility. On the Closing Date, the amount of the Letter of Credit Subfacility is $25,000,000.

"Letter of Credit Sublimit" means, as to each L/C Issuer, its agreement as set forth in Section 2.03 to issue, amend and extend Letters of Credit in an aggregate principal amount at any one time outstanding not to exceed (subject to the discretion of such L/C Issuer pursuant to Section

2.03(a)(iii)(F)) the amount set forth opposite such Lender's name on Schedule 2.01 under the caption "Letter of Credit Sublimit" or opposite such caption in the Assignment and Assumption, Joinder Agreement or other documentation, which other documentation shall be in form and substance satisfactory to the Administrative Agent, pursuant to which such L/C Issuer becomes an L/C Issuer hereunder, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Leverage-Based Applicable Rate" has the meaning specified in the definition of "Applicable Rate".

"LIBOR" has the meaning specified in the definition of Eurodollar Rate.

"LIBOR Screen Rate" means the LIBOR quote on the applicable screen page the Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

"LIBOR Successor Rate" has the meaning specified in Section 3.07.

"LIBOR Successor Rate Conforming Changes" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to (a) the definitions of Applicable Rate, Base Rate, Eurodollar Rate, Interest Period, Leverage-Based Applicable Rate and/or Ratings-Based Applicable Rate, (b) timing and frequency of determining rates and making payments of interest and (c) other administrative matters as may be appropriate, in the discretion of the Administrative Agent, to (i) reflect the adoption of such LIBOR Successor Rate and (ii) 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 LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent determines in consultation with the Borrower).

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Liquidity" means, as of any date of determination, the sum of (i) Unrestricted Cash and (ii) an amount equal to the aggregate unused Commitments hereunder and unused commitments under other credit facilities of the Borrower permitted under Section 7.03, in each case, available to be drawn without the waiver of any conditions precedent to such draw.

"Loan" means an extension of credit by a Lender to the Borrower under Article II in the form of a Committed Loan or a Swing Line Loan.

"Loan Documents" means this Agreement, each Note, each Issuer Document, any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of

Section 2.16 of this Agreement, any Pledge Agreement, the Intercreditor Agreement and the Fee Letter.

"Loan Parties" means, collectively, the Borrower and each Guarantor, and after the Borrower obtains an Investment Grade Credit Rating shall also include each Direct Owner and Indirect Owner of each Unencumbered Eligible Property regardless of whether such Person is a Guarantor.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"Management Agreement" means an agreement entered into by any Loan Party pursuant to which it engages a Manager to manage and operate a Hotel Property.

"Manager" means the management company that manages and operates a Hotel Property pursuant to the Management Agreement for such Hotel Property.

"Material Acquisition" means an acquisition by a member of the Consolidated Group, pursuant to one transaction or a series of related transactions occurring contemporaneously, of one or more entities or property portfolios with total assets or having a total asset value, as applicable, of at least $250,000,000.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect on, the operations, business, assets, properties, liabilities (actual or contingent), or condition (financial or otherwise) of the Borrower or the Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

"Material Contract" means, with respect to any Person, each contract to which such Person is a party involving aggregate consideration payable to or by such Person of $20,000,000 or more in any year or that is otherwise material to the business, condition (financial or otherwise), operations, performance, properties or prospects of such Person, other than agreements pursuant to which Indebtedness is incurred.

"Maturity Date" means (a) with respect to the Revolving Credit Facility, the Revolving Credit Maturity Date, (b) with respect to the Term A-1 Facility, the Term A-1 Maturity Date, (c) with respect to the Term A-2 Facility, the Term A-2 Maturity Date and (d) with respect to any Incremental TL Facility, subject to Section 2.15(a), the date set forth in the applicable Incremental TL Facility Documents as the "Maturity Date" for such Term Facility or, if the applicable Incremental TL Facility Documents fail to specify a "Maturity Date", the Maturity Date shall be the latest Maturity Date (giving effect to any available extension options) of any then existing Facility; provided, however, that, in each case under clause (d), if such date is not a Business Day, the Maturity Date of such Incremental TL Facility shall be the next preceding Business Day

"Minimum Collateral Amount" means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 105% of the Fronting Exposure

of the L/C Issuers with respect to Letters of Credit issued and outstanding at such time, (ii) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 2.16(a)(i), (a)(ii), or (a)(iii), an amount equal to 105% of the Outstanding Amount of all L/C Obligations, and (iii) otherwise, an amount determined by the Administrative Agent and the L/C Issuers, in their sole discretion.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Cash Proceeds" means, as applicable,

(a) with respect to any Disposition or Insurance and Condemnation Event, all cash and Cash Equivalents received by any Loan Party or any of its Subsidiaries therefrom (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, as and when received) in connection with such transaction less the sum of (i) any Tax Distributions and all income taxes and other taxes assessed by, or reasonably estimated to be payable to, a Governmental Authority as a result of such transaction (provided that if such Tax Distributions or estimated taxes exceed the amount of actual Tax Distributions or taxes required to be paid in cash in respect of such Disposition, the amount of such excess shall constitute Net Cash Proceeds), (ii) all reasonable and customary out-of-pocket fees and expenses incurred in connection with such transaction or event (including, to the extent reasonable and customary, underwriting discounts and commissions but excluding any payments to Affiliates of a Loan Party), (iii) the principal amount of, premium, if any, and interest on any Indebtedness (other than Indebtedness under the Loan Documents) secured by a Lien on the asset (or a portion thereof) disposed of, which Indebtedness is required to be repaid in connection with such transaction or event and (iv) all amounts that are set aside as a reserve (A) for adjustments in respect of the purchase price of such assets, (B) for any liabilities associated with such sale or casualty, to the extent such reserve is required by GAAP or as otherwise required pursuant to the documentation with respect to such Disposition or Insurance and Condemnation Event, (C) for the payment of unassumed liabilities relating to the assets sold or otherwise disposed of at the time of, or within 30 days after, the date of such Disposition and (D) contractually required to be reserved for the payment of indemnification obligations; provided that, to the extent and at the time any such amounts are released from such reserve and received by such Loan Party or any of its Subsidiaries, such amounts shall constitute Net Cash Proceeds, and

(b) with respect to any Equity Issuance or Debt Issuance, the gross cash proceeds received by members of the Consolidated Group therefrom less the sum of (i) all reasonable and customary fees, commissions, investment banking fees, attorneys' fees, accountants' fees, underwriting fees, costs, underwriting discounts and other reasonable and customary expenses incurred in connection

therewith except to the extent paid to an Affiliate of a Loan Party and (ii) amounts required to be deposited or maintained in segregated accounts as reserves in connection with any such Debt Issuance; provided, however, that in the case of any Debt Issuance constituting Permitted Refinancing Indebtedness, such proceeds shall be limited to the amount determined pursuant to clause (a) of the definition thereof.

For purposes hereof, Net Cash Proceeds received by any Subsidiary of the Borrower other than a Wholly Owned Subsidiary of the Borrower shall equal a percentage of the Net Cash Proceeds received by such Subsidiary pursuant to clause (a) or (b) above equal to the percentage that corresponds to the Consolidated Group Pro Rata Share in such recipient.

"Net Income (or Loss)" means, with respect to any Person (or any asset of any Person) for any period, the sum of (i) the net income (or loss) of such Person (or attributable to such asset), determined in accordance with GAAP and (ii) the Consolidated Group Pro Rata Share of the net income (or loss) attributable to Unconsolidated Affiliates.

"Net Operating Income" means, for any Real Estate and for a given period, an amount equal to the sum of (a) gross revenues (including interest income received in the ordinary course of business from such Real Estate) but excluding any non-recurring revenue for such period minus (b) all expenses paid or accrued and related to the ownership, operation, or maintenance of such Real Estate for such period, including, but not limited to, taxes, assessments and the like, insurance, utilities, payroll costs, maintenance, repair and landscaping expenses, marketing expenses, and general and administrative expenses (including an appropriate allocation for legal, accounting, advertising, marketing and other expenses incurred in connection with such Real Estate, but specifically excluding general overhead expenses of Borrower and its Subsidiaries and any property management fees), minus (c) the greater of (i) actual management fees of such Real Estate or (ii) an amount equal to three percent (3%) of the Gross Revenues from such Real Estate, plus (d) to the extent deducted from gross revenues in the determination of Net Operating Income, closing costs related to the acquisition of such Real Estate that were capitalized prior to FAS 141-R which do not represent a recurring cash item in such period or in any future period, in each case for or incurred during the applicable period. Net Operating Income shall not include any proceeds of any condemnation award paid in connection with any temporary or permanent taking or other condemnation of any part of a Hotel Property, any proceeds of casualty or other insurance policies received with respect to a Hotel Property (other than proceeds of business interruption insurance received with respect to the applicable period), or the proceeds of any sale, assignment, conveyance, transfer, exchange, disposition, pledge, mortgage or other encumbrance of all or any portion of a Hotel Property.

"New Lender Joinder Agreement" has the meaning specified in Section 2.15(c)(ii).

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 11.01 and (ii) has been approved by the Required Lenders.

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

"Non-Recourse Indebtedness" means, with respect to a Person, (a) any Indebtedness of such Person in respect of which recourse for payment (except for Customary Non-Recourse Carve-Outs) is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness, (b) if such Person is a Single Asset Entity, any Indebtedness of such Person (other than Indebtedness described in the immediately following clause (c)), or (c) if such Person is a Single Asset Holding Company, any Indebtedness of such Single Asset Holding Company resulting from a Guarantee of, or Lien securing, Indebtedness of a Single Asset Entity that is a Subsidiary of such Single Asset Holding Company, so long as, in each case, either (i) the holder of such Indebtedness may not look to such Single Asset Holding Company personally for repayment, other than to the Equity Interests held by such Single Asset Holding Company in such Single Asset Entity or pursuant to Customary Non-Recourse Carve-Outs or (ii) such Single Asset Holding Company has no assets other than Equity Interests in such Single Asset Entity and cash and other assets of nominal value incidental to the ownership of such Single Asset Entity.

"Note" means a Term A-1 Note, a Term A-2 Note, a Revolving Credit Note or any promissory note made by the Borrower in favor of a Term Lender under an Incremental TL Facility evidencing Term Loans made by such Term Lender under such Incremental TL Facility in a form agreed among the Borrower, the Administrative Agent and the Appropriate Lenders, as the context may require.

"Obligations" means (a) all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, (b) all obligations arising under Lender Swap Contracts and (c) all costs and expenses incurred in connection with enforcement and collection of the foregoing, including the fees, charges and disbursements of counsel, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided that the Obligations of a Guarantor shall exclude any Excluded Swap Obligations with respect to such Guarantor.

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

"Off-Balance Sheet Arrangement" means any transaction, agreement or other contractual arrangement to which a Person that is not consolidated with the Borrower is a party, under which any member of the Consolidated Group has:

(a) any obligation under a guarantee contract that has any of the characteristics identified in FASB ASC 460-10-15-4;

(b) a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to such entity for such assets;

(c) any obligation, including a contingent obligation, under a contract that would be accounted for as a derivative instrument, except that it is both indexed to the Borrower's stock and classified in stockholders' equity in the Borrower's statement of financial position, as described in FASB ASC 815-10-15-74; or

(d) any obligation, including a contingent obligation, arising out of a variable interest (as defined in the FASB ASC Master Glossary) in an unconsolidated entity that is held by, and material to, any member of the Consolidated Group, where such entity provides financing, liquidity, market risk or credit risk support to, or engages in leasing, hedging or research and development services with, any member of the Consolidated Group.

"Operating Lease" means with respect to any Hotel Property, the lease thereof between the Borrower or other Loan Party that is the owner or ground lessee thereof and the Loan Party that is the operating lessee thereunder.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

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

"Other Debt Prepayment" has the meaning specified in Section 7.20.

"Other Facilities" means, collectively, (a) the Term Facilities, (b) the PNC Term Loan, (c) the Regions Term Loan, (d) the Huntington Term Loan and (e) the Prudential Loans.

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

"Outstanding Amount" means (i) with respect to Committed Loans and Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Committed Loans and Swing Line Loans, as the

case may be, occurring on such date; and (ii) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

"Pari Passu Obligations" means Indebtedness that is not Secured Indebtedness of the Borrower or any Guarantor (exclusive of the Obligations) owing to a Person that is not a member of the Consolidated Group or an Affiliate thereof.

"Participant" has the meaning specified in Section 11.06(d).

"Participant Register" has the meaning specified in Section 11.06(d).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Permitted Convertible Notes" means senior convertible debt securities of the Borrower (a) that are unsecured, (b) that do not have the benefit of any Guarantee of any Subsidiary, (c) that are otherwise permitted under Section 7.03, (d) the Net Cash Proceeds of which are applied during the Covenant Waiver Period, if applicable, in accordance with this Agreement and the Intercreditor Agreement, (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 common shares of the Borrower, cash or a combination thereof as the Borrower 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 Borrower in good faith).

"Permitted Convertible Notes Swap Contract" means a Swap Contract entered into by the Borrower in connection with, and prior to or concurrently with, the issuance of any Permitted Convertible Notes pursuant to which the Borrower acquires a call or a capped call option requiring the counterparty thereto to deliver to the Borrower common shares of the Borrower, 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 Swap Contract shall be

such as are typical and customary for Swap Contracts of such type (as determined by the Borrower in good faith).

"Permitted Equity Encumbrances" means

(a) Liens imposed by law for taxes, assessments, governmental charges or levies that are not yet due or are being contested in compliance with Section 6.04;

(b) Permitted Pari Passu Encumbrances;

(c) Liens pursuant to any Loan Document; and

(d) Liens on assets securing Intercreditor Indebtedness on a basis that is pari passu (or junior) to Liens on such assets securing the Obligations, so long as such Liens are subject to the Intercreditor Agreement.

"Permitted Pari Passu Encumbrances" means encumbrances that are contained in documentation evidencing or governing Pari Passu Obligations which encumbrances are the result of (i) limitations on the ability of a Loan Party or any of its Subsidiaries to transfer or encumber property which limitations, taken as a whole, are substantially the same as or less restrictive than those contained in this Agreement or (ii) any requirement that Pari Passu Obligations be secured on an "equal and ratable basis" to the extent that the Obligations are secured.

"Permitted Property Encumbrances" means:

(a) Liens imposed by law for taxes, assessments, governmental charges or levies that are not yet due or are being contested in compliance with Section 6.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person;

(c) easements, zoning restrictions, rights of way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(d) rights of lessors under Eligible Ground Leases;

(e) (i) leases, licenses, subleases or sublicenses granted to other Persons in the ordinary course of business which do not (A) interfere in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole, or (B) secure any Indebtedness, and (ii) the rights reserved or vested in any Person by the terms of any lease, license, franchise, grant or permit held by any of the Borrower or its Subsidiaries; and

(f) Permitted Pari Passu Encumbrances;

provided that the term "Permitted Property Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Refinancing Indebtedness" means any Indebtedness (the "Refinancing Indebtedness"), the proceeds of which are used to refinance, refund, renew, extend or replace Indebtedness that is outstanding as of the Second Amendment Effective Date (such outstanding Indebtedness, the "Refinanced Indebtedness"); provided that (a) to the extent the principal amount (or accreted value, if applicable) of such Refinancing Indebtedness (including any unused commitments thereunder) is greater than the sum of (i) the principal amount (or accreted value, if applicable) of the Refinanced Indebtedness at the time of such refinancing, refunding, renewal, extension or replacement, (ii) an amount equal to any original issue discount thereon, (iii) the amount of unpaid accrued interest and premium thereon, (iv) customary reserves required to be funded and maintained in connection with such Refinancing Indebtedness, and (v) other reasonable and customary amounts paid, and fees and expenses reasonably incurred, in connection with such refinancing, refunding, renewal, extension or replacement, such excess shall be applied as a mandatory prepayment in accordance with Section 2.05(d); (b) no scheduled amortization or maturity of such Refinancing Indebtedness shall occur prior to the sixth anniversary of the Second Amendment Effective Date; provided that Refinancing Indebtedness secured by real property may provide for customary mortgage-style amortization based on a term of not less than 25 years, (c) such Refinancing Indebtedness shall not be secured by Liens on assets other than assets securing the Refinanced Indebtedness at the time of such refinancing, refunding, renewal, extension or replacement; (d) such Refinancing Indebtedness shall not be guaranteed by or otherwise recourse to any Person other than the Person(s) to whom the Refinanced Indebtedness is recourse or by whom it is guaranteed, in each case as of the time of such refinancing, refunding, renewal, extension or replacement (other than Guarantees of such Indebtedness for which recourse is limited to Customary Non-Recourse Carve-Outs) and (e) no Default shall have occurred and be continuing at the time of, or would result from, such refinancing, refunding, renewal, extension or replacement.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the Borrower or any ERISA Affiliate or any such Plan to which the Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Platform" has the meaning specified in Section 6.02.

"Pledge Agreement" means a pledge agreement in substantially the form of Exhibit K (together with each other pledge agreement, pledge amendment and pledge supplement delivered pursuant to Section 6.20 or such pledge agreement), among the Borrower, the Guarantors party thereto from time to time, and the Administrative Agent, for the benefit of itself and the other Creditor Parties, as the same may be amended, restated or otherwise modified from time to time.

"PNC Term Loan" has the meaning specified in the Intercreditor Agreement

"PNC Term Loan Obligations" has the meaning specified in the Intercreditor Agreement.

"Preferred Distributions" means, for any period and without duplication, all Distributions paid during such period on Preferred Securities issued by the Borrower or any of the Borrower's Subsidiaries. Preferred Distributions shall not include dividends or distributions (a) paid or payable solely in Equity Interests of identical class payable to holders of such class of Equity Interests; or (b) paid or payable to the Borrower or any of its Subsidiaries.

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

"Prepayment Percentage" means, with respect to:

(a) the Revolving Credit Facility, 32.818532819%;

(b) the Term A-1 Facility, 15.444015444%;

(c) the Term A-2 Facility, 17.374517375%;

(d) the Huntington Term Loan, 6.563706564%;

(e) the PNC Term Loan, 6.563706564%;

(f) the Regions Term Loan, 17.374517375%; and

(g) the Prudential Loans, 3.861003861%.

"Pro Forma Basis" means, for purposes of calculating compliance with Section 7.11 in respect of a proposed transaction, such transaction shall be deemed to have occurred as of the first day of the four (4) fiscal-quarter period ending as of the most recent fiscal quarter end preceding the date of such transaction with respect to which the Administrative Agent has received the Required Financial Information. As used herein, "transaction" means (a) any incurrence or assumption of Indebtedness, (b) any removal of a property as an Unencumbered Eligible Property or any Disposition of any Person or property or (c) any acquisition of any Person (whether by merger or otherwise) or property. In connection with any calculation relating to Section 7.11 and any calculation of the Consolidated Leverage Ratio for purposes of the Applicable Rate upon giving effect to a transaction on a Pro Forma Basis:

(i) for purposes of any such calculation in respect of any incurrence or assumption of Indebtedness, any Indebtedness which is retired in connection with such incurrence or assumption shall be excluded and deemed to have been retired as of the first day of the applicable period;

(ii) for purposes of any such calculation in respect of any removal of a property as an Unencumbered Eligible Property or any Disposition of any Person or property, (A) income statement items (whether positive or negative) attributable to such Person or property disposed of or removed shall be excluded, (B) any Indebtedness which is retired

in connection with such transaction shall be excluded and deemed to have been retired as of the first day of the applicable period, and (C) pro forma adjustments shall be included to the extent that such adjustments would give effect to events that are (1) directly attributable to such transaction, (2) expected to have a continuing impact on the Consolidated Group and (3) factually supportable (in the judgment of the Administrative Agent); and

(iii) for purposes of any such calculation in respect of any Investment in or acquisition of any Person (whether by merger or otherwise) or property, (A) income statement items (whether positive or negative) and capital expenditures attributable to the Person or property acquired shall be deemed to be included as of the first day of the applicable period, and (B) pro forma adjustments (with the calculated amounts annualized to the extent the period from the date of such acquisition through the most-recently ended fiscal quarter is not at least twelve (12) months or four (4) fiscal quarters, in the case of any applicable period that is based on twelve months or four (4) fiscal quarters) shall be included to the extent that such adjustments would give effect to events that are (1) directly attributable to such transaction, (2) expected to have a continuing impact on the Consolidated Group and (3) factually supportable (in the judgment of the Administrative Agent).

"Pro Forma Closing Date Compliance Certificate" has the meaning specified in Section 4.01(a)(ix).

"Prudential Loans" has the meaning specified in the Intercreditor Agreement.

"Prudential Note Agreement Obligations" has the meaning specified in the Intercreditor Agreement.

"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 6.02.

"Qualified ECP Guarantor" shall mean, at any time, each Guarantor with total assets exceeding $10,000,000 or that qualifies at such time as an "eligible contract participant" under the Commodity Exchange Act and can cause another person to qualify as an "eligible contract participant" at such time under §1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Ratings-Based Applicable Rate" has the meaning specified in the definition of "Applicable Rate".

"Real Estate" means all real property at any time owned, or leased (in whole or in part) pursuant to an Eligible Ground Lease, by the Borrower or any of its Subsidiaries, including, without limitation, Unencumbered Eligible Properties.

"Recipient" means the Administrative Agent, any Lender, any L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

"Recourse Indebtedness" means Indebtedness (other than Indebtedness under the Loan Documents) that is not Non-Recourse Indebtedness.

"Regions Term Loan" has the meaning specified in the Intercreditor Agreement

"Regions Term Loan Obligations" has the meaning specified in the Intercreditor Agreement.

"Register" has the meaning specified in Section 11.06(c).

"REIT Status" means, with respect to any Person, (a) the qualification of such Person as a real estate investment trust under the provisions of Sections 856 et seq. of the Code and (b) the applicability to such Person and its shareholders of the method of taxation provided for in Sections 857 et seq. of the Code.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors, auditors (including internal auditors), attorneys and representatives of such Person and of such Person's Affiliates.

"Release" means any release, spill, emission, discharge, deposit, disposal, leaking, pumping, pouring, dumping, emptying, injection or leaching into the Environment, or into, from or through any building, structure or facility.

"Relevant Payment" has the meaning specified in Section 10.11.

"Removal Effective Date" has the meaning specified in Section 9.06(b).

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Committed Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"Required Financial Information" means, with respect to each fiscal period or quarter of the Borrower (a) the financial statements required to be delivered to the Administrative Agent pursuant to Section 6.01(a) or Section 6.01(b) and (b) the Compliance Certificate required to be delivered to the Administrative Agent pursuant to Section 6.02(a).

"Required Incremental TL Facility Lenders" means, as of any date of determination, with respect to any Incremental TL Facility, Lenders holding more than 50% of the Outstanding Amount of Loans under such Incremental TL Facility on such date; provided that the portion of such Incremental TL Facility held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Incremental TL Facility Lenders.

"Required Lenders" means, as of any date of determination, Lenders holding more than 50% of the sum of (a) the Total Outstandings (with the aggregate amount of each Revolving Credit Lender's risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed "held" by such Revolving Credit Lender for purposes of this definition) and (b) the aggregate unused Commitments; provided that (i) the unused Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders and (ii) the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Revolving Credit Lender shall be deemed to be held by the Swing Line Lender (in the case of a Swing Line Loan) or the applicable L/C Issuer (in the case of Unreimbursed Amounts) in making such determination.

"Required Revolving Lenders" means, as of any date of determination, Revolving Credit Lenders holding more than 50% of the sum of the (a) Total Revolving Credit Outstandings (with the aggregate amount of each Revolving Credit Lender's risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed "held" by such Revolving Credit Lender for purposes of this definition) and (b) aggregate unused Revolving Credit Commitments; provided that the unused Revolving Credit Commitment of, and the portion of the Total Revolving Credit Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Lenders; provided, further, that the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that any Defaulting Lender has failed to fund that have not been reallocated and funded by another Lender shall be deemed to be held by the Swing Line Lender (in the case of a Swing Line Loan) or the applicable L/C Issuer (in the case of Unreimbursed Amounts) in making such determination.

"Required Term A-1 Lenders" means, as of any date of determination, Term A-1 Lenders holding more than 50% of the Outstanding Amount of the Term A-1 Facility on such date; provided that the portion of the Term A-1 Facility held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Term A-1 Lenders.

"Required Term A-2 Lenders" means, as of any date of determination, Term A-2 Lenders holding more than 50% of the Outstanding Amount of the Term A-2 Facility on such date; provided that the portion of the Term A-2 Facility held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Term A-2 Lenders.

"Rescindable Amount" has the meaning as defined in Section 2.12(b)(ii).

"Resignation Effective Date" has the meaning specified in Section 9.06(a).

"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 or controller of a Loan Party or any entity authorized to act on behalf of such Loan Party, solely for purposes of the delivery of incumbency certificates pursuant to Section 4.01, the secretary or any assistant secretary of a Loan Party or entity authorized to act on behalf 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 or entity authorized to act on behalf of such 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 or entity authorized to act on behalf of such Loan Party designated in or pursuant to an agreement between the applicable Loan Party or entity authorized to act on behalf of such Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party, or entity authorized to act on behalf of such Loan Party, shall be conclusively presumed to have been authorized by all necessary corporate, limited liability company, 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 Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of any Person or any Subsidiary thereof, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to such Person's stockholders, partners or members (or the equivalent Person thereof); provided that payments for, in respect of or in connection with Permitted Convertible Notes Swap Contracts shall not constitute Restricted Payments.

"Revolver Usage" means, with respect to any day, the ratio (expressed as a percentage) of (a) the sum of (i) the Outstanding Amount of Revolving Credit Loans on such day and (ii) the Outstanding Amount of L/C Obligations on such day to (b) the Revolving Credit Commitments in effect on such day. For the avoidance of doubt, the Outstanding Amount of Swing Line Loans shall not be counted towards or considered usage of the Revolving Credit Commitments for purposes of determining "Revolver Usage".

"Revolving Credit Borrowing" means a borrowing consisting of simultaneous Revolving Credit Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Revolving Credit Lenders pursuant to Section 2.01(a).

"Revolving Credit Commitment" means, as to each Revolving Credit Lender, its obligation to (a) make Revolving Credit Loans to the Borrower pursuant to Section 2.01(a), (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 under the caption "Revolving Credit Commitment" or opposite such caption in the Assignment and Assumption or New Lender Joinder Agreement pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Credit Exposure" means, as to any Revolving Credit Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Credit Loans and such Lender's participation in L/C Obligations and Swing Line Loans at such time; provided that the Revolving Credit Exposure of (i) the Lender acting as the Swing Line Lender shall include the Outstanding Amount of all Swing Line Loans made by such Lender and (ii) each Lender that is an L/C Issuer shall include the Outstanding Amount of all L/C Obligations with respect to Letters of Credit issued by such L/C Issuer.

"Revolving Credit Facility" means, at any time, the aggregate amount of the Revolving Credit Lenders' Revolving Credit Commitments at such time. On the Closing Date, the Revolving Credit Facility is $425,000,000.

"Revolving Credit Lender" means, at any time, any Lender that has a Revolving Credit Commitment or holds a Revolving Credit Loan at such time.

"Revolving Credit Loan" has the meaning specified in Section 2.01(a).

"Revolving Credit Maturity Date" means the later of (i) the Initial Revolving Credit Maturity Date and (ii) if the Initial Revolving Credit Maturity Date is extended pursuant to Section 2.14, such extended maturity date as determined pursuant to such Section; provided, however, that, in each case, if such date is not a Business Day, the Revolving Credit Maturity Date shall be the next preceding Business Day.

"Revolving Credit Note" means a promissory note made by the Borrower in favor of a Revolving Credit Lender evidencing Revolving Credit Loans or Swing Line Loans, as the case may be, made by such Lender, substantially in the form of Exhibit C.

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

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. and any successor thereto.

"Scheduled Unavailability Date" has the meaning specified in Section 3.07(a)(ii).

"Seattle Acquisition" means the acquisition by Apple Nine Seattle of the Hotel Property commonly known as the Residence Inn Seattle Downtown/Lake Union located at 800 Fairview Avenue N., Seattle, Washington 98109 from Qwest Corporation for an aggregate purchase price not to exceed $80,000,000.

"Seattle Acquisition Note Guaranty" means a Guarantee of payment of the Seattle Acquisition Note made by the Borrower in favor of Qwest Corporation or its assignee or designee.

"Seattle Acquisition Seller Note" means the certain Seller Note in the original principal amount of $56,000,000 made by Apple Nine Seattle in favor of Qwest Corporation, or its assignee or designee, as partial payment of the purchase price compensation payable in connection with the Seattle Acquisition, and which Seller Note shall include the following terms: (a) a final maturity date not earlier than August 16, 2022, (b) no amortization of the principal balance (other than full prepayment) prior to final maturity and (c) an interest rate of not greater than four percent (4%) per annum, payable monthly, with a cap of $160,000 of monthly interest payable in cash and the remainder thereof being capitalized and added to the outstanding principal balance and payable at final maturity.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Second Amendment Effective Date" means June 5, 2020.

"Secured Indebtedness" means, with respect to any Person, all Indebtedness of such Person that is secured by a Lien on any asset (including without limitation any Equity Interest) owned or held by the Borrower or any Subsidiary thereof (excluding, in any event, (i) Indebtedness arising under or in connection with this Agreement and (ii) Intercreditor Indebtedness).

"Security Trigger Event" means, during the Covenant Waiver Period, either (i) the average Liquidity for any calendar month is less than $200,000,000 or (ii) Total Revolving Credit Outstandings exceed $275,000,000 at any time on or after the Third Amendment Effective Date.

"Seller Note" means a promissory note issued by Borrower or a Subsidiary thereof to a non-Affiliate of the Borrower as partial consideration for an acquisition of real property that is permitted under clause (i) and/or clause (v) of Section 7.02.

"Shareholders' Equity" means, as of any date of determination, consolidated shareholders' equity of the Borrower and its Subsidiaries as of that date determined in accordance with GAAP.

"Single Asset Entity" means a Person (other than an individual) that (a) only owns or leases (pursuant to an Eligible Ground Lease) a parcel of Real Estate and/or cash and other assets of nominal value incidental to such Person's ownership of such Real Estate; (b) is engaged only in the business of owning, developing and/or leasing such Real Estate; and (c) receives substantially all of its gross revenues from such Real Estate. In addition, if the assets of a Person consist solely of (i) Equity Interests in one or more other Single Asset Entities and (ii) cash and other assets of nominal value incidental to such Person's ownership of the other Single Asset Entities, such Person shall also be deemed to be a Single Asset Entity for purposes of this Agreement (such an entity, a "Single Asset Holding Company").

"Single Asset Holding Company" has the meaning given that term in the definition of Single Asset Entity.

"Solvency Certificate" means a Solvency Certificate of the chief financial officer or the chief accounting officer of the Borrower, substantially in the form of Exhibit I.

"Solvent" and "Solvency" mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person 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, (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, and (e) such Person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the ordinary course of business. 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, represents the amount that can reasonably be expected to become an actual or matured liability.

"Specified Loan Party" means any Loan Party that is not an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to Section 10.12).

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Surge Period" has the meaning specified in Section 2.18.

"Swap Bank" means, with respect to any Swap Contract not prohibited under Article VI or VII entered into by the Borrower, any counterparty thereto that (a) with respect to any such Swap Contract entered into on or prior to the Closing Date, is a Lender or an Affiliate of a Lender on the Closing Date and (b) with respect to any such Swap Contract entered into after the Closing Date, is a Lender or an Affiliate of a Lender at the time such Swap Contract is entered into; provided that, in the case of a Lender Swap Contract with a Person who is no longer a Lender (or an Affiliate of a Lender), such Person shall be considered a Swap Bank only through the stated termination date (without extension or renewal) of such Lender Swap Contract; provided further that for any of the foregoing to be included as a "Lender Swap Contract" on any date of determination by the Administrative Agent, the applicable Swap Bank (other than the Administrative Agent or an Affiliate of the Administrative Agent) must have delivered a Designation Notice to the Administrative Agent prior to such date of determination.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Obligations" 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.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Swing Line Borrowing" means a borrowing of a Swing Line Loan pursuant to Section 2.04.

"Swing Line Lender" means Bank of America, in such Person's capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), 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.

"Swing Line Subfacility" means, at any time, an amount equal to the lesser of (a) $25,000,000 and (b) the Revolving Credit Facility at such time. The Swing Line Subfacility is part of, and not in addition to, the Revolving Credit Facility.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as indebtedness of such Person (without regard to accounting treatment).

"Tax Distribution" means, with respect to any Disposition, an amount reasonably estimated to be equal to the taxable gain or net income from such Disposition to be distributed by the Borrower in order to avoid income or excise taxes under the Code after taking into account any carry forward losses.

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

"Term A-1 Borrowing" means a borrowing consisting of simultaneous Term A-1 Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Term A-1 Lenders pursuant to Section 2.01(b)(i).

"Term A-1 Commitment" means, as to each Lender, its obligation to make Term A-1 Loans to the Borrower pursuant to Section 2.01(b)(i) in an aggregate principal amount at any one time

outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 under the caption "Term A-1 Commitment" or opposite such caption in the Assignment and Assumption or New Lender Joinder Agreement pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Term A-1 Facility" means, at any time, the aggregate principal amount of the Term A-1 Loans of all Term A-1 Lenders outstanding at such time. The Term A-1 Facility on the Closing Date is $200,000,000.

"Term A-1 Hedged Portion" means the portion of the Term A-1 Facility that is subject to a hedge or swap (or other similar) agreement as set forth on Schedule 2.01 as of the Second Amendment Effective Date and as may be adjusted from time to time pursuant to Section 2.19.

"Term A-1 Lender" means (a) at any time on or prior to the Closing Date, any Lender that has a Term A-1 Commitment at such time and (b) at any time after the Closing Date, any Lender that holds Term A-1 Loans at such time.

"Term A-1 Loan" means an advance made by any Term A-1 Lender under the Term A-1 Facility.

"Term A-1 Maturity Date" means July 27, 2023; provided, however, that, if such date is not a Business Day, the Term A-1 Maturity Date shall be the next preceding Business Day.

"Term A-1 Note" means a promissory note made by the Borrower in favor of a Term A-1 Lender evidencing Term A-1 Loans made by such Term A-1 Lender, substantially in the form of Exhibit D-1.

"Term A-1 Unhedged Portion" means the portion of the Term A-1 Facility that is not subject to a hedge or swap (or other similar) agreement as set forth on Schedule 2.01 as of the Second Amendment Effective Date and as may be adjusted from time to time pursuant to Section 2.19.

"Term A-2 Borrowing" means a borrowing consisting of simultaneous Term A-2 Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Term A-2 Lenders pursuant to Section 2.01(c)(i).

"Term A-2 Commitment" means, as to each Lender, its obligation to make Term A-2 Loans to the Borrower pursuant to Section 2.01(c)(i) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 under the caption "Term A-2 Commitment" or opposite such caption in the Assignment and Assumption or New Lender Joinder Agreement pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Term A-2 Facility" means, at any time, the aggregate principal amount of the Term A-2 Loans of all Term A-2 Lenders outstanding at such time. The Term A-2 Facility on the Closing Date is $225,000,000.

"Term A-2 Hedged Portion" means the portion of the Term A-2 Facility that is subject to a hedge or swap (or other similar) agreement as set forth on Schedule 2.01 as of the Second Amendment Effective Date and as may be adjusted from time to time pursuant to Section 2.19.

"Term A-2 Lender" means, (a) at any time on or prior to the Closing Date, any Lender that has a Term A-2 Commitment at such time and (b) at any time after the Closing Date, any Lender that holds Term A-2 Loans at such time.

"Term A-2 Loan" means an advance made by any Term A-2 Lender under the Term A-2 Facility.

"Term A-2 Maturity Date" means January 31, 2024; provided, however, that, if such date is not a Business Day, the Term A-2 Maturity Date shall be the next preceding Business Day.

"Term A-2 Note" means a promissory note made by the Borrower in favor of a Term A-2 Lender, evidencing Term A-2 Loans made by such Term A-2 Lender, substantially in the form of Exhibit D-2.

"Term A-2 Unhedged Portion" means the portion of the Term A-2 Facility that is not subject to a hedge or swap (or other similar) agreement as set forth on Schedule 2.01 as of the Second Amendment Effective Date and as may be adjusted from time to time pursuant to Section 2.19.

"Term Borrowing" means a Term A-1 Borrowing, a Term A-2 Borrowing or a borrowing consisting of simultaneous Term Loans under an Incremental TL Facility of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Term Lenders participating in such Incremental TL Facility.

"Term Facility" means the Term A-1 Facility, the Term A-2 Facility and each Incremental TL Facility, as the context may require, and "Term Facilities" is a collective reference to all of the foregoing.

"Term Lender" means a Term A-1 Lender, a Term A-2 Lender and any Lender that holds a Term Loan under an Incremental TL Facility.

"Term Loan" means a Term A-1 Loan, a Term A-2 Loan and, unless otherwise specified, each term loan made in connection with any Incremental TL Facility.

"Third Amendment Effective Date" means March 1, 2021.

"Threshold Amount" means (a) with respect to Recourse Indebtedness of any Person, $35,000,000 and (b) with respect to Non-Recourse Indebtedness of any Person, $125,000,000.

"Total Credit Exposure" means, as to any Lender at any time, the sum of (i) the aggregate principal amount of its outstanding Term Loans and (ii) the sum of the unused Revolving Credit Commitment and Revolving Credit Exposure (without giving effect to the proviso contained in such definition) of such Lender at such time.

"Total Outstandings" means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

"Total Revolving Credit Outstandings" means the aggregate Outstanding Amount of all Revolving Credit Loans, Swing Line Loans and L/C Obligations.

"Type" means, with respect to a Committed Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

"UCC" means the Uniform Commercial Code as in effect in the State of New York.

"UCP" means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce ("ICC") Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

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

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

"Unconsolidated Affiliate" means, at any date, any Person (x) in which the Consolidated Group, directly or indirectly, holds an Equity Interest, which investment is accounted for in the consolidated financial statements of the Consolidated Group on an equity basis of accounting and (y) whose financial results are not consolidated with the financial results of the Consolidated Group under GAAP.

"Unencumbered Adjusted NOI" means, for any period, an amount equal to the portion of Adjusted NOI for such period that is attributable to Unencumbered Eligible Properties.

"Unencumbered Asset Value" means, at any time for the Consolidated Group, without duplication, an amount equal to the aggregate Unencumbered Real Estate Value of all Unencumbered Eligible Properties owned or ground leased by the Borrower or a Subsidiary thereof at such time; provided that:

(i) the Unencumbered Asset Value will be zero ($0) at any time that there are fewer than fifteen (15) Unencumbered Eligible Properties included in the determination of Unencumbered Asset Value;

(ii) not more than 25% of the Unencumbered Asset Value at any time may be in respect of any single Unencumbered Eligible Property, with any excess over the foregoing limit being excluded from Unencumbered Asset Value;

(iii) not more than 30% of the Unencumbered Asset Value at any time may be in respect of Unencumbered Eligible Properties that are located in any one metropolitan statistical area, with any excess over the foregoing limit being excluded from Unencumbered Asset Value; and

(iv) not more than 25% of the Unencumbered Asset Value at any time may be in respect of Unencumbered Eligible Properties that are subject to Eligible Ground Leases (rather than owned in fee simple), with any excess over the foregoing limit being excluded from Unencumbered Asset Value.

"Unencumbered Eligible Property" means any Real Estate identified by the Borrower as an "Unencumbered Eligible Property" in the Pro Forma Closing Date Compliance Certificate or thereafter pursuant to Section 6.12 and included as an "Unencumbered Eligible Property" in the most recent Compliance Certificate delivered to the Administrative Agent that meets and continues to satisfy each of the following criteria:

(i) the property is a Hotel Property wholly-owned in fee simple directly by, or is ground leased pursuant to an Eligible Ground Lease directly to, a Wholly Owned Subsidiary of the Borrower that is a Domestic Subsidiary that is a Guarantor or, after the occurrence of the Investment Grade Permitted Release, is not required to be a Guarantor;

(ii) the Subsidiary that directly owns or ground leases such Unencumbered Eligible Property (the "Direct Owner") and each Subsidiary that directly or indirectly owns an interest in the Direct Owner (each an "Indirect Owner") are Domestic Subsidiaries;

(iii) the property is located within the United States of America;

(iv) the property is not subject to any ground lease (other than an Eligible Ground Lease), Lien, negative pledge and/or encumbrance or any restriction on the ability of the relevant Subsidiary to transfer or encumber such property or income therefrom or proceeds thereof (other than Permitted Property Encumbrances);

(v) the Equity Interests of the Direct Owner and those of each Indirect Owner are not (A) junior in any manner to any other class of Equity Interests in such Person or (B) subject to any Liens or other encumbrances (other than Permitted Equity Encumbrances);

(vi) the property does not have any material title, survey, environmental, structural, architectural or other defects and is not subject to any condemnation or similar proceeding;

(vii) the property is managed by a reputable and experienced manager acceptable to the Administrative Agent and operated under the Marriott, Hilton, Hyatt or Starwood brand or another nationally recognized brand approved by the Required Lenders, such approval not to be unreasonably withheld, pursuant to a Franchise Agreement;

(viii) the property is open and operating and is not the subject of any material expansion or renovation; and

(ix) no Direct Owner or Indirect Owner of the property is subject to any proceedings under any Debtor Relief Law or, unless it is a Guarantor, is a borrower or guarantor of, or otherwise obligated in respect of, any Recourse Indebtedness.

"Unencumbered Real Estate Value" means, with respect to any Unencumbered Eligible Property as of any date of determination, the quotient, if such amount is greater than or equal to zero, obtained by dividing (a) the portion of Adjusted NOI that is attributable to such Unencumbered Eligible Property as of the then most recently ended period of four full fiscal quarters, by (b) the Capitalization Rate (expressed as a decimal).

"Unencumbered Reinvestment Proceeds" has the meaning specified in Section 2.05(d)(i).

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"Unrestricted Cash" means, as of any date of determination, an amount equal to the aggregate amount of Cash Equivalents of the Consolidated Group on such date that are not subject to any negative pledge, Lien or control agreement and not otherwise subject to any restrictions on the use thereof to pay Indebtedness and other obligations of such Person (excluding statutory Liens in favor of any depositary bank where any such cash is maintained and excluding any restrictions in this Agreement or Intercreditor Indebtedness, including Liquidity covenants that are not, taken as a whole, materially more restrictive than those contained in the Loan Documents).

"Unrestricted Cash Amount" means, as of any date of determination, an amount equal to the greater of (a) (i) the aggregate amount of Cash Equivalents of the Consolidated Group on such date that are not subject to any negative pledge, Lien or control agreement and not otherwise subject to any restrictions on the use thereof to pay Indebtedness and other obligations of such Person (excluding statutory Liens in favor of any depositary bank where any such cash is maintained and excluding any restrictions in this Agreement or Intercreditor Indebtedness that are not, taken as a whole, materially more restrictive than those contained in the Loan Documents), minus (ii) $10,000,000 and (b) $0.

"Unsecured Indebtedness" means, as to any Person, Indebtedness of such Person that does not constitute Secured Indebtedness.

"Unused Fee" has the meaning specified in Section 2.09(a).

"U.S. Patriot Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

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

"U.S. Tax Compliance Certificate" has the meaning specified in Section 3.01(e)(ii)(B)(III).

"Wells Fargo" means Wells Fargo Bank, National Association and its successors.

"Wholly Owned Subsidiary" means, as to any Person, another Person all of the Equity Interests of which (except directors' qualifying shares) are at the time directly or indirectly owned by such Person and/or another Wholly Owned Subsidiary of such Person.

"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.

1.02 Other Interpretive Provisions

. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) 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 (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, amendments and restatements, 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 or regulation shall, unless otherwise specified, refer to such law 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.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) 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 of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), 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 of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

1.03 Accounting Terms

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(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 Audited Financial Statements, except as otherwise specifically prescribed in Section 1.03 or elsewhere herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of any member of the Consolidated Group 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) Changes in GAAP. If at any time any change in GAAP (including the adoption of IFRS) 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, (A) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (B) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Notwithstanding the foregoing, 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 to GAAP occurring after the Closing Date as a result of the adoption of Accounting Standards Update, 2016-02 Leases (Topic 842), issued by the Financial Accounting Standards Board in February 2016, or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case if such change would require treating any lease (or similar arrangement conveying the right to use an asset) as a capital or financing lease where such lease (or similar arrangement) was not required to be so treated under GAAP as in effect on the Closing Date.

(c) Consolidation of Variable Interest Entities. All references herein to consolidated financial statements of the Borrower and its Subsidiaries or to the determination of any amount for the Borrower and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Borrower is required to consolidate pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein.

(d) Pro Forma Basis. Determinations of (i) the calculation of and compliance with the covenants contained in Section 7.11(a), (b), (d), (e), (f) and (ii) the calculation of the Consolidated Leverage Ratio for purposes of the Applicable Rate shall in each case be made on a Pro Forma Basis.

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).

1.05 Times of Day; Rates

. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable). The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurodollar Rate" or with respect to any rate that is an alternative or replacement for or successor to any of such rate (including, without limitation, any LIBOR Successor Rate) or the effect of any of the foregoing, or of any LIBOR Successor Rate Conforming Changes.

1.06 Letter of Credit Amounts

. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II. THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Committed Loans

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(a) Revolving Credit Borrowings. Subject to the terms and conditions set forth herein, each Revolving Credit Lender severally agrees to make loans (each such loan, a "Revolving Credit Loan") to the Borrower from time to time, on any Business Day during the Availability Period for the Revolving Credit Facility, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Credit Commitment; provided, however, that after giving effect to any Revolving Credit Borrowing, (i) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility at such time, and (ii) the Revolving Credit Exposure of any Revolving Credit Lender shall not exceed such Lender's Revolving Credit Commitment. Within the limits of each Revolving Credit Lender's Revolving Credit Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(a), prepay

under Section 2.05, and reborrow under this Section 2.01(a). Revolving Credit Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

(b) Term A-1 Borrowing.

(i) Subject to the terms and conditions set forth herein, each Term A-1 Lender severally agrees to make a single loan to the Borrower on the Closing Date in Dollars in an amount not to exceed such Term A-1 Lender's Term A-1 Commitment; provided that after giving effect to any such Borrowing, (x) the aggregate Outstanding Amount of all Term A-1 Loans shall not exceed $200,000,000 (subject to increase as provided in Section 2.15), and (y) the Outstanding Amount of all Term A-1 Loans made by any Term A-1 Lender shall not exceed such Term A-1 Lender's Term A-1 Commitment.

(ii) Any Loans made under this Section 2.01(b) and repaid or prepaid may not be reborrowed. Term A-1 Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

(c) Term A-2 Borrowing.

(i) Subject to the terms and conditions set forth herein, each Term A-2 Lender severally agrees to make a single loan to the Borrower on the Closing Date in Dollars in an amount not to exceed such Term A-2 Lender's Term A-2 Commitment; provided that after giving effect to any such Borrowing, (x) the aggregate Outstanding Amount of all Term A-2 Loans shall not exceed $225,000,000 (subject to increase as provided in Section 2.15), and (y) the Outstanding Amount of all Term A-2 Loans made by any Term A-2 Lender shall not exceed such Term A-2 Lender's Term A-2 Commitment.

(ii) Any Loans made under this Section 2.01(c) and repaid or prepaid may not be reborrowed. Term A-2 Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

2.02 Borrowings, Conversions and Continuations of Committed Loans

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(a) Each Committed Borrowing, each conversion of Committed Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone or (B) a Committed Loan Notice; provided that any telephone notice must be confirmed promptly by delivery to the Administrative Agent of a Committed Loan Notice. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days (or such shorter period as shall have been agreed to by the Administrative Agent and the Lenders) prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Committed Loans, and (ii) on the requested date of any Borrowing of Base Rate Committed Loans; provided, however, that if the Borrower wishes to request Eurodollar Rate Loans having an Interest Period other than one, two or three months in duration as provided in the definition of "Interest Period," the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. four Business Days prior to the requested date of such Borrowing, conversion or continuation, whereupon the Administrative Agent shall give prompt notice to the Appropriate Lenders of such request and

determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 a.m., three Business Days before the requested date of such Borrowing, conversion or continuation, the Administrative Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Appropriate Lenders. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a minimum principal amount of $1,500,000. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Committed Loans shall be in a minimum principal amount of $500,000. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Term Borrowing, a Revolving Credit Borrowing, a conversion of Term Loans or Revolving Credit Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Committed Loans to be borrowed, converted or continued, (iv) the Type of Committed Loans to be borrowed or to which existing Committed Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Committed Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Committed Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Appropriate Lender of the amount of its Applicable Percentage of the applicable Term Loans or Revolving Credit Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Appropriate Lender of the details of any automatic conversion to Base Rate Loans described in the preceding subsection. In the case of a Term Borrowing or a Revolving Credit Borrowing, each Appropriate Lender shall make the amount of its Committed Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower; provided, however, that if, on the date a Committed Loan Notice with respect to a Revolving Credit Borrowing is given by the Borrower, there are L/C Borrowings outstanding, then the proceeds of such Revolving Credit Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Borrower as provided above.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate.

(e) After giving effect to all Committed Borrowings, all conversions of Committed Loans from one Type to the other, and all continuations of Committed Loans as the same Type, there shall not be more than 14 Interest Periods in effect with respect to Committed Loans.

(f) Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all of the portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrower, the Administrative Agent, and such Lender.

2.03 Letters of Credit

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(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) each L/C Issuer agrees, in reliance upon the agreements of the Revolving Credit Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Issuance Expiration Date, to issue Letters of Credit for the account of the Borrower or any of its Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor compliant drawings under the Letters of Credit issued by it; and (B) the Revolving Credit Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or any of its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility at such time, (y) the Revolving Credit Exposure of any Revolving Credit Lender shall not exceed such Lender's Revolving Credit Commitment (subject to the discretion of the applicable L/C Issuer pursuant to Section 2.03(a)(iii)(F) to issue a Letter of Credit that would cause its Revolving Credit Exposure to exceed its Revolving Credit Commitment), and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Subfacility. Each request by the Borrower for the issuance or amendment (including any extension) of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) No L/C Issuer shall issue any Letter of Credit if, subject to Section 2.03(b)(iii), the expiry date of the requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Administrative Agent and such L/C Issuer have approved such expiry date; provided that in no event will

any Letter of Credit have an expiry date that is later than the first anniversary of the Revolving Credit Maturity Date.

(iii) No L/C Issuer shall be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such L/C Issuer from issuing the Letter of Credit, or any Law applicable to such L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such L/C Issuer shall prohibit, or request that such L/C Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon such L/C Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which such L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon such L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which such L/C Issuer in good faith deems material to it;

(B) the issuance of the Letter of Credit would violate one or more policies of such L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and such L/C Issuer, the Letter of Credit is in an initial stated amount less than $100,000;

(D) the Letter of Credit is to be denominated in a currency other than Dollars;

(E) any Revolving Credit Lender is at that time a Defaulting Lender, unless such L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such L/C Issuer (in its sole discretion) with the Borrower or such Lender to eliminate such L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.17(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which such L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion; or

(F) after giving effect to any L/C Credit Extension with respect to such Letter of Credit, the L/C Obligations with respect to all Letters of Credit issued by such L/C Issuer would exceed such L/C Issuer's Letter of Credit Sublimit or cause its Revolving Credit Exposure to exceed its Revolving Credit Commitment; provided that, subject to the limitations set forth in the proviso to the first sentence of Section 2.03(a)(i), any L/C Issuer in its sole discretion may issue Letters of Credit in excess of the foregoing limitations.

(iv) No L/C Issuer shall amend or extend any Letter of Credit if such L/C Issuer would not be permitted at such time to issue the Letter of Credit in its amended or extended form under the terms hereof.

(v) No L/C Issuer shall be under any obligation to amend or extend any Letter of Credit if (A) such L/C Issuer would have no obligation at such time to issue the Letter of Credit in its amended or extended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(vi) Each L/C Issuer shall act on behalf of the Revolving Credit Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included the L/C Issuers with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuers.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, by a single L/C Issuer selected by the Borrower, upon the request of the Borrower delivered to an L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the applicable L/C Issuer, by personal delivery or by any other means acceptable to such L/C Issuer. Such Letter of Credit Application must be received by the applicable L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as the Administrative Agent and such L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the applicable L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the applicable L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the applicable L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as such L/C Issuer may require. Additionally, the Borrower shall furnish to the applicable L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as such L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the applicable L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, such L/C Issuer will provide the Administrative Agent with a copy thereof. Unless an L/C Issuer has received written notice from any Revolving Credit Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, such L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or applicable Subsidiary thereof or enter into the applicable amendment, as the case may be, in each case in accordance with such L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from such L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Revolving Credit Lender's Applicable Revolving Credit Percentage times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the applicable L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit such L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by an L/C Issuer, the Borrower shall not be required to make a specific request to such L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the applicable L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the first anniversary of the Revolving Credit Maturity Date; provided, however, that no L/C Issuer shall permit any such extension if (A) such L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Revolving Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing such L/C Issuer not to permit such extension.

(iv) If the Borrower so requests in any applicable Letter of Credit Application, the applicable L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that permits the automatic reinstatement of all or a portion of the stated amount thereof after any drawing thereunder (each, an "Auto-Reinstatement Letter of Credit"). Unless otherwise directed by an L/C Issuer, the Borrower shall not be required to make a specific

request to such L/C Issuer to permit such reinstatement. Once an Auto-Reinstatement Letter of Credit has been issued, except as provided in the following sentence, the Lenders shall be deemed to have authorized (but may not require) the applicable L/C Issuer to reinstate all or a portion of the stated amount thereof in accordance with the provisions of such Letter of Credit. Notwithstanding the foregoing, if such Auto-Reinstatement Letter of Credit permits an L/C Issuer to decline to reinstate all or any portion of the stated amount thereof after a drawing thereunder by giving notice of such non-reinstatement within a specified number of days after such drawing (the "Non-Reinstatement Deadline"), such L/C Issuer shall not permit such reinstatement if it has received a notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Reinstatement Deadline (A) from the Administrative Agent that the Required Revolving Lenders have elected not to permit such reinstatement or (B) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied (treating such reinstatement as an L/C Credit Extension for purposes of this clause) and, in each case, directing such L/C Issuer not to permit such reinstatement.

(v) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the applicable L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(vi) If the expiry date of any Letter of Credit would occur after the Revolving Credit Maturity Date, the Borrower hereby agrees that it will at least thirty (30) days prior to the Revolving Credit Maturity Date (or, in the case of a Letter of Credit issued or extended on or after thirty (30) days prior to the Revolving Credit Maturity Date, on the date of such issuance or extension, as applicable) Cash Collateralize such Letter of Credit in an amount equal to 105% of the L/C Obligations arising or expected to arise in connection with such Letter of Credit.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the applicable L/C Issuer shall notify the Borrower and the Administrative Agent thereof (such notification provided by an L/C Issuer to the Borrower and the Administrative Agent being referred to herein as an "L/C Draw Notice"). If an L/C Draw Notice with respect to a Letter of Credit is received by the Borrower (x) on or prior to 11:00 a.m. on the date of any payment by the applicable L/C Issuer under a Letter of Credit (each such date, an "Honor Date"), then, not later than 3:00 p.m. on the Honor Date, the Borrower shall reimburse the applicable L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing or (y) after 11:00 a.m. on the Honor Date, then, not later than 11:00 a.m. on the first Business Day following the Honor Date, the Borrower shall reimburse the applicable L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing (such date on which the Borrower, pursuant to clauses (x) and (y) of this sentence, is required to reimburse an L/C Issuer for a drawing under a Letter of Credit is referred to herein as the "L/C Reimbursement Date"); provided that if the L/C Reimbursement Date for a drawing

under a Letter of Credit is the Business Day following the Honor Date pursuant to clause (y) of this sentence, the Unreimbursed Amount shall accrue interest from and including the Honor Date until such time as the applicable L/C Issuer is reimbursed in full therefor (whether through payment by the Borrower and/or through a Revolving Credit Loan or L/C Borrowing made in accordance with clause (ii) or (iii) of this Section 2.03(c)) at a rate equal to (A) for the period from and including the Honor Date to but excluding the first Business Day to occur thereafter, the rate of interest then applicable to a Base Rate Revolving Credit Loan and (B) thereafter, at the Default Rate applicable to a Base Rate Revolving Credit Loan. Interest accruing on the Unreimbursed Amount pursuant to the proviso to the immediately preceding sentence shall be payable by the Borrower upon demand to the Administrative Agent, solely for the account of the applicable L/C Issuer. If the Borrower fails to so reimburse the applicable L/C Issuer for the full amount of the unreimbursed drawing (the "Unreimbursed Amount") in accordance with the preceding sentence on the applicable L/C Reimbursement Date, the Administrative Agent shall promptly notify each Revolving Credit Lender that a payment was made on the Letter of Credit, the Honor Date thereof, the L/C Reimbursement Date thereof (if different from the Honor Date), the Unreimbursed Amount thereof, and the amount of such Revolving Credit Lender's Applicable Revolving Credit Percentage thereof. In such event, the Borrower shall be deemed to have requested a Revolving Credit Borrowing of Base Rate Loans to be disbursed on the L/C Reimbursement Date or, if the L/C Reimbursement Date is the Honor Date, the Business Day following the L/C Reimbursement Date, in an amount equal to the Unreimbursed Amount, without regard to the minimum specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Revolving Credit Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice). Any notice given by an L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Revolving Credit Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) for the account of an L/C Issuer at the Administrative Agent's Office in an amount equal to its Applicable Revolving Credit Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Revolving Credit Lender that so makes funds available shall be deemed to have made a Base Rate Committed Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the applicable L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Credit Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the applicable L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Revolving Credit Lender's payment to the Administrative Agent for the account of the applicable L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed

payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Revolving Credit Lender funds its Revolving Credit Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the applicable L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Revolving Credit Percentage of such amount shall be solely for the account of such L/C Issuer.

(v) Each Revolving Credit Lender's obligation to make Revolving Credit Loans or L/C Advances to reimburse an L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against such L/C Issuer, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse an L/C Issuer for the amount of any payment made by such L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Revolving Credit Lender fails to make available to the Administrative Agent for the account of an L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, such L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by such L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by such L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan included in the relevant Committed Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the applicable L/C Issuer submitted to any Revolving Credit Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after an L/C Issuer has made a payment under any Letter of Credit and has received from any Revolving Credit Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of such L/C Issuer any payment in respect of the related

Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Revolving Credit Percentage thereof in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of an L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by an L/C Issuer in its discretion), each Revolving Credit Lender shall pay to the Administrative Agent for the account of such L/C Issuer its Applicable Revolving Credit Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the applicable L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing and each Revolving Credit Loan made pursuant to Section 2.03(c) shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the applicable L/C Issuer, any Lender or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the applicable L/C Issuer of any requirement that exists for such L/C Issuer's protection and not the protection of the Borrower or its Subsidiaries or any waiver by the applicable L/C Issuer which does not in fact materially prejudice the Borrower or its Subsidiaries;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the applicable L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the UCP or the ISP, as applicable;

(vii) any payment by the applicable L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the applicable L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Loan Party or any of their Subsidiaries.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the applicable L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the applicable L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, no L/C Issuer shall have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuers, any Lender, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of any L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Revolving Credit Lenders or the Required Revolving Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuers, any Lender, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of any L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (viii) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against an L/C Issuer, and an L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by such L/C Issuer's willful misconduct or gross negligence or such L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a

Letter of Credit. In furtherance and not in limitation of the foregoing, an L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and such L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. An L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Applicability of ISP and UCP; Limitation of Liability. Unless otherwise expressly agreed by an L/C Issuer and the Borrower when a Letter of Credit is issued, the rules of the ISP shall apply to each Letter of Credit (or UCP if required, subject to the applicable L/C Issuer's approval). Notwithstanding the foregoing, no L/C Issuer shall be responsible to the Borrower for, and no L/C Issuer's rights or remedies against the Borrower shall be impaired by, any action or inaction of such L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the applicable L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(h) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Revolving Credit Lender in accordance, subject to adjustment as provided in Section 2.17, with its Applicable Revolving Credit Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate for Eurodollar Rate Loans made under the Revolving Credit Facility times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the expiry date of such Letter of Credit and thereafter on demand and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate for the Revolving Credit Facility during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate for the Revolving Credit Facility separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, (i) while any Event of Default arising under Section 8.01(a)(i) or Section 8.01(f) exists, all Letter of Credit Fees shall accrue at the Default Rate, and (ii) upon the request of the Required Revolving Lenders while any Event of Default exists (other than as set forth in clause (i)), all Letter of Credit Fees shall accrue at the Default Rate.

(i) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Borrower shall pay directly to the applicable L/C Issuer for its own account a fronting fee with respect to each Letter of Credit issued by such L/C Issuer, at the rate per annum specified in the Fee Letter, computed on the daily amount available to be drawn under such Letter of Credit on a

quarterly basis in arrears. Such fronting fee shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the expiry date of such Letter of Credit and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrower shall pay directly to the applicable L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the applicable L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

(l) L/C Issuer Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each L/C Issuer shall, in addition to its notification obligations set forth elsewhere in this Section, provide the Administrative Agent with written reports from time to time, as follows:

(i) reasonably prior to the time that such L/C Issuer issues, amends, increases or extends a Letter of Credit, a written report that includes the date of such issuance, amendment, increase or extension and the stated amount of such Letter of Credit after giving effect to such issuance, amendment, increase or extension (and whether the amounts thereof shall have changed);

(ii) on each Business Day on which such L/C Issuer makes a payment pursuant to a Letter of Credit, a written report that includes the date and amount of such payment;

(iii) on any Business Day on which the Borrower fails to reimburse a payment made pursuant to a Letter of Credit required to be reimbursed to such L/C Issuer on such day, a written report that includes the date of such failure and the amount of such payment;

(iv) on any other Business Day, a written report that includes such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such L/C Issuer; and

(v) (A) on the last Business Day of each calendar month and (B) on each date that (1) an L/C Credit Extension occurs or (2) there is any expiration, cancellation and/or disbursement, in each case, with respect to any Letter of Credit issued by such L/C Issuer, a written report that

includes the information described in clauses (i) through (iv) of Section 2.03(l) for every outstanding Letter of Credit issued by such L/C Issuer.

2.04 Swing Line Loans

.

(a) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender agrees that it, in reliance upon the agreements of the other Revolving Credit Lenders set forth in this Section 2.04, shall make loans (each such loan, a "Swing Line Loan") to the Borrower from time to time on any Business Day during the Availability Period; provided, however, that (x) after giving effect to any Swing Line Loan, (i) the aggregate Outstanding Amount of all Swing Line Loans shall not exceed the Swing Line Subfacility, (ii) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility and (iii) the Revolving Credit Exposure of any Revolving Credit Lender (including the Lender acting as Swing Line Lender) shall not exceed such Revolving Credit Lender's Revolving Credit Commitment (subject to the discretion of any L/C Issuer pursuant to Section 2.03(a)(iii)(F) to issue a Letter of Credit that would cause its Revolving Credit Exposure to exceed its Revolving Credit Commitment), (y) the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan and (z) the Swing Line Lender shall not be under any obligation to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure unless the Swing Line Lender has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the Swing Line Lender (in its sole discretion) with the Borrower or the applicable Lender to eliminate such Fronting Exposure (after giving effect to Section 2.17(a)(iv)). Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan. Immediately upon the making of a Swing Line Loan, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Revolving Credit Lender's Applicable Revolving Credit Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by (A) telephone, or (B) a Swing Line Loan Notice; provided that any telephone notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a Swing Line Loan Notice. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of $100,000, and (ii) the requested borrowing date, which shall be a Business Day. Promptly after receipt by the Swing Line Lender of any Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Revolving Credit Lender) prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one

or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of such Swing Line Loan available to the Borrower at its office by crediting the account of the Borrower on the books of the Swing Line Lender in immediately available funds.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole and absolute discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Revolving Credit Lender make a Base Rate Revolving Credit Loan in an amount equal to such Lender's Applicable Revolving Credit Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Revolving Credit Facility and the conditions set forth in Section 4.02. The Swing Line Lender shall furnish the Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Revolving Credit Lender shall make an amount equal to its Applicable Revolving Credit Percentage of the amount specified in such Committed Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Committed Loan Notice (or on the immediately following Business Day if such notice is received by the Lenders after 11:00 a.m. on the specified funding date), whereupon, subject to Section 2.04(c)(ii), each Revolving Credit Lender that so makes funds available shall be deemed to have made a Base Rate Revolving Credit Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by a Revolving Credit Borrowing in accordance with Section 2.04(c)(i), the request for a Base Rate Revolving Credit Loan submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Revolving Credit Lenders fund its risk participation in the relevant Swing Line Loan and each Revolving Credit Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Revolving Credit Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Revolving Credit Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Revolving Credit Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the

Swing Line Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Revolving Credit Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Revolving Credit Lender's Revolving Credit Loan included in the relevant Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Revolving Credit Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Revolving Credit Lender's obligation to make Revolving Credit Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Revolving Credit Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Revolving Credit Lender has purchased and funded a risk participation in a Swing Line Loan or made a Revolving Credit Loan pursuant to Section 2.04(c), if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Revolving Credit Lender its Applicable Revolving Credit Percentage thereof in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Revolving Credit Lender shall pay to the Swing Line Lender its Applicable Revolving Credit Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Revolving Credit Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on Swing Line Loans. Until each Revolving Credit Lender funds its Base Rate Revolving Credit Loan or risk participation pursuant to this Section 2.04 to refinance such Revolving Credit Lender's Applicable Revolving Credit Percentage

of any Swing Line Loan, interest in respect of such Applicable Revolving Credit Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrower shall make all payments of principal and interest in respect of each Swing Line Loan directly to the Swing Line Lender by wire transfer of immediately available funds.

2.05 Prepayments

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(a) The Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty; provided that (i) such notice must be in a form acceptable to the Administrative Agent and be received by the Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (B) on the date of prepayment of Base Rate Committed Loans; (ii) any prepayment of Eurodollar Rate Loans shall be in a minimum principal amount of $1,500,000; and (iii) any prepayment of Base Rate Committed Loans shall be in a minimum principal amount of $500,000 or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment, the Facility and the Type(s) of Committed Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Appropriate Lender of its receipt of each such notice, and of the amount of such Lender's ratable portion of such prepayment (based on such Lender's Applicable Percentage in respect of the relevant Facility). If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.17, each such prepayment shall be promptly paid to the Appropriate Lenders in accordance with their respective Applicable Percentages in respect of the relevant Facilities.

(b) The Borrower may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (A) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (B) any such prepayment shall be in a minimum principal amount of $100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) If for any reason Total Revolving Credit Outstandings exceed the Revolving Credit Facility then in effect, the Borrower shall immediately prepay Loans (including Swing Line Loans and L/C Borrowings) and/or Cash Collateralize the L/C Obligations (other than the L/C Borrowings) in an aggregate amount necessary to cause Total Revolving Credit Outstandings to equal or be less than the Revolving Credit Facility then in effect; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(c) unless after the prepayment in full of the Revolving Credit Loans and Swing Line Loans the Total Revolving Credit Outstandings exceed the Revolving Credit Facility then in effect.

(d) During the Covenant Waiver Period, and subject to the terms of the Intercreditor Agreement, the Borrower will be required to prepay Loans (including Swing Line Loans and L/C Borrowings) and/or Cash Collateralize the L/C Obligations (other than the L/C Borrowings) as set forth in this Section 2.05(d):

(i) If any member of the Consolidated Group Disposes of any property (other than any Excluded Disposition) which results in the receipt by such Person of Net Cash Proceeds, within three Business Days after receipt thereof by such Person, the Borrower shall prepay Loans (including Swing Line Loans and L/C Borrowings) and/or Cash Collateralize the L/C Obligations (other than the L/C Borrowings) (in each case without any corresponding reduction of the Revolving Credit Facility), in an aggregate amount equal to 100% of such Net Cash Proceeds (such prepayments and Cash Collateral to be applied as set forth in clauses (iv) and (v) below); provided, that Net Cash Proceeds of up to $300,000,000 in the aggregate received from such Dispositions (but no other source) may, upon written notice to the Administrative Agent given not more than three Business Days after the date of such Disposition, either be retained by the Borrower and/or applied to the aggregate Revolving Credit Exposure without any corresponding reduction of the Revolving Credit Facility (and, notwithstanding anything to the contrary in this Section 2.05, such proceeds shall be applied as a voluntary prepayment as follows: *first*, as a prepayment of Swing Line Loans under Section 2.05(b) and L/C Borrowings, ratably, *second*, as a prepayment of Revolving Credit Loans under Section 2.05(a) and *third*, to Cash Collateralize any remaining L/C Obligations), so long as (A) no Default shall have occurred and be continuing at the time of such Disposition or at the time the related prepayment would be due hereunder and (B) if the Borrower will retain such Net Cash Proceeds, the Borrower has a reasonable expectation that it will utilize such Net Cash Proceeds to acquire one or more Unencumbered Eligible Properties in reliance on clause (ii) of the proviso to Section 7.02 (any such Net Cash Proceeds of up to $300,000,000 retained by the Borrower or applied to the aggregate Revolving Credit Exposure pursuant to the foregoing, referred to herein as "Unencumbered Reinvestment Proceeds").

(ii) Upon any Equity Issuance which results in the receipt of Net Cash Proceeds by any member of the Consolidated Group, within three Business Days after receipt thereof by such Person, the Borrower shall prepay Loans (including Swing Line Loans and L/C Borrowings) and/or Cash Collateralize the L/C Obligations (other than the L/C Borrowings) (in each case without any corresponding reduction of the Revolving Credit Facility), in an aggregate amount equal to 100% of such Net Cash Proceeds (such prepayments and Cash Collateral to be applied as set forth in clauses (iv) and (v) below); provided, that aggregate Net Cash Proceeds received from Equity Issuances of up to (1) at any time prior to consummation of the Seattle Acquisition, $300,000,000 and (2) upon and following consummation of the Seattle Acquisition, an amount equal to $300,000,000 minus the aggregate amount of purchase price consideration for the Seattle Acquisition that was or is paid or payable in cash or Cash Equivalents on the date the Seattle Acquisition is consummated, in either case may, upon written notice to the Administrative Agent given not more than three Business Days after the date of such Equity Issuance, either be retained by the Borrower and/or applied to the aggregate Revolving Credit Exposure without any corresponding reduction of the

Revolving Credit Facility (and, notwithstanding anything to the contrary in this Section 2.05, such proceeds shall be applied as a voluntary prepayment as follows: *first*, as a prepayment of Swing Line Loans under Section 2.05(b) and L/C Borrowings, ratably, *second*, as a prepayment of Revolving Credit Loans under Section 2.05(a) and *third*, to Cash Collateralize any remaining L/C Obligations), so long as (A) no Default shall have occurred and be continuing at the time of such Equity Issuance or at the time the related prepayment would be due hereunder and (B) if the Borrower will retain such Net Cash Proceeds, the Borrower has a reasonable expectation that it will utilize such Net Cash Proceeds to acquire one or more Unencumbered Eligible Properties in reliance on clause (iv) of the proviso to Section 7.02 (any such Net Cash Proceeds in the aggregate not exceeding the applicable amount referenced in clause (1) or clause (2) of this proviso that are retained by the Borrower, or applied to the aggregate Revolving Credit Exposure pursuant to the to the foregoing, referred to herein as "Additional Investment Proceeds").

(iii) Upon any Debt Issuance (other than Excluded Indebtedness), the Borrower shall provide written notice of such Debt Issuance to the Administrative Agent not more than three Business Days after the date thereof and prepay Loans (including Swing Line Loans and L/C Borrowings) and/or Cash Collateralize the L/C Obligations (other than the L/C Borrowings) in an aggregate amount equal to 100% of all Net Cash Proceeds received from such Debt Issuance within three Business Days after receipt thereof by any member of the Consolidated Group (such prepayments and Cash Collateral to be applied as set forth in clauses (iv) and (v) below).

(iv) All prepayments and Cash Collateral required to be made or furnished, as applicable, pursuant to the foregoing provisions of this Section 2.05(d), *first*, shall be retained by the Borrower and/or applied to the aggregate Revolving Credit Exposure without any corresponding reduction of the Revolving Credit Facility in the manner set forth in clause (v) of this Section 2.05(d), until the aggregate amount retained by the Borrower and/or applied to the aggregate Revolving Credit Exposure as a prepayment or Cash Collateral (excluding, for the avoidance of doubt, any Unencumbered Reinvestment Proceeds and Additional Investment Proceeds) equals $150,000,000, and, *second*, shall be (A) retained by the Borrower and/or applied to the aggregate Revolving Credit Exposure without any corresponding reduction of the Revolving Credit Facility (excluding, for the avoidance of doubt, any Unencumbered Reinvestment Proceeds and Additional Investment Proceeds) in the manner set forth in clause (v) of this Section 2.05(d) and (B) applied to each of the Other Facilities. Applications under clause (A) of clause *second* in the preceding sentence shall be based on the Prepayment Percentage of the Revolving Credit Facility and applications under clause (B) of clause *second* in the preceding sentence shall be based on the respective Prepayment Percentages of the Other Facilities (and subject to the proviso to clause *second* in Section 2.10(d)(I) of the Intercreditor Agreement).

(v) Amounts applied to the aggregate Revolving Credit Exposure pursuant to this Section 2.05(d), *first*, shall be applied ratably to the L/C Borrowings and the Swing Line Loans, *second*, shall be applied ratably to the outstanding Revolving Credit Loans, *third*, shall be used to Cash Collateralize the remaining L/C Obligations and *fourth*, the

balance, if any, may be retained by the Borrower . Upon the drawing of any Letter of Credit that has been Cash Collateralized, the funds held as Cash Collateral shall be applied (without any further action by or notice to or from the Borrower or any other Loan Party) to reimburse the L/C Issuer or the Revolving Credit Lenders, as applicable.

(e) The Borrower shall prepay the Term A-1 Facility and the Term A-2 Facility to the extent required to do so pursuant to Section 7.20.

(f) Prepayments of the Term Loan Facility made pursuant to Section 2.05(d) shall be applied ratably to the Term A-1 Facility and the Term A-2 Facility.

2.06 Termination or Reduction of Commitments

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(a) Optional. The Borrower may, upon notice to the Administrative Agent, terminate the Revolving Credit Facility, the Letter of Credit Subfacility or the Swing Line Subfacility, or from time to time permanently reduce the Revolving Credit Facility, the Letter of Credit Subfacility or the Swing Line Subfacility; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $10,000,000 or any whole multiple of $1,000,000 in excess thereof, (iii) the Borrower shall not terminate or reduce the Revolving Credit Facility, the Letter of Credit Subfacility or the Swing Line Subfacility, as the case may be, if, after giving effect thereto and to any concurrent prepayments hereunder, (A) the Total Revolving Credit Outstandings would exceed the Revolving Credit Facility, (B) the Outstanding Amount of L/C Obligations would exceed the Letter of Credit Subfacility, or (C) the Outstanding Amount of Swing Line Loans would exceed the Swing Line Subfacility.

(b) Mandatory. The Revolving Credit Facility shall be reduced to zero automatically and permanently on the last day of the Availability Period. The Term A-1 Commitments and the Term A-2 Commitments shall be automatically and permanently reduced to zero on the Closing Date (after giving effect to the Term Borrowings contemplated to occur on such date).

(c) Application of Revolving Credit Commitment Reductions; Payment of Fees. The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Letter of Credit Subfacility, the Swing Line Subfacility or the Revolving Credit Facility under this Section 2.06. Upon any reduction of the Letter of Credit Subfacility, the Letter of Credit Sublimit of each L/C Issuer shall be reduced on a pro rata basis. Upon any reduction of the Revolving Credit Facility, the Revolving Credit Commitment of each Revolving Credit Lender shall be reduced by such Revolving Credit Lender's Applicable Revolving Credit Percentage of such reduction amount, and upon any resulting reduction of the Letter of Credit Subfacility, the Letter of Credit Sublimit of each L/C Issuer shall be reduced on a pro rata basis. All fees in respect of the Revolving Credit Facility accrued until the effective date of any termination of the Revolving Credit Facility shall be paid on the effective date of such termination. Following any such termination or reduction, the Administrative Agent may in its discretion replace the existing Schedule 2.01 with an amended and restated schedule that reflects all such terminations and reductions.

2.07 Repayment of Loans

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(a) The Borrower shall repay to the Revolving Credit Lenders on the Revolving Credit Maturity Date the aggregate principal amount of all Revolving Credit Loans outstanding on such date.

(b) The Borrower shall repay to the Term A-1 Lenders on the Term A-1 Maturity Date the aggregate principal amount of all Term A-1 Loans outstanding on such date.

(c) The Borrower shall repay to the Term A-2 Lenders on the Term A-2 Maturity Date the aggregate principal amount of all Term A-2 Loans outstanding on such date.

(d) The Borrower shall repay each Swing Line Loan on the earlier to occur of (i) the date seven Business Days after such Loan is made and (ii) the Revolving Credit Maturity Date.

(e) The Borrower shall repay to the Term Lenders holding Term Loans of any Incremental TL Facility on the Maturity Date for such Incremental TL Facility the aggregate principal amount of all Term Loans of such Incremental TL Facility outstanding on such date.

2.08 Interest

.

(a) Subject to the provisions of subsection (b) below, (i) each Eurodollar Rate Loan under a Facility shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate for such Interest Period plus the Applicable Rate for such Facility; (ii) each Base Rate Committed Loan under a Facility shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate for such Facility; and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate applicable to Base Rate Loans for the Revolving Credit Facility.

(b) (i) While any Event of Default arising under Section 8.01(a)(i) or Section 8.01(f) exists, the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(i) Upon the request of the Required Lenders, while any Event of Default exists (other than as set forth in clause (b)(i) above), the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall

be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees

. In addition to certain fees described in subsections (h) and (i) of Section 2.03 and in Sections 2.14(b)(iii) and 2.15(c)(vi):

(a) Revolving Credit Facility Fees. At all times during the Availability Period for the Revolving Credit Facility, including at any time during which one or more of the conditions in Article IV is not met, the Borrower shall pay to the Administrative Agent, for the account of each Revolving Credit Lender in accordance with its Applicable Revolving Credit Percentage, (i) prior to the Investment Grade Pricing Effective Date, an unused line fee (the "Unused Fee") equal to the Applicable Fee Rate times the actual daily amount by which the Revolving Credit Facility exceeds the sum of (i) the Outstanding Amount of Revolving Credit Loans and (ii) the Outstanding Amount of L/C Obligations, subject to adjustment as provided in Section 2.17 and (ii) at all times on and after the Investment Grade Pricing Effective Date, a facility fee (the "Facility Fee") equal to the "Facility Fee" component of the Applicable Rate times the actual daily amount of the Revolving Credit Facility (or, if the Revolving Credit Commitments have terminated, the Total Revolving Credit Outstandings). For the avoidance of doubt, the Outstanding Amount of Swing Line Loans shall not be counted towards or considered usage of the Revolving Credit Facility for purposes of determining the Unused Fee. Accrued Unused Fees pursuant to clause (i) above and Facility Fees pursuant to clause (ii) above shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period for the Revolving Credit Facility. The Unused Fee and the Facility Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Fee Rate or the "Facility Fee" component of the Applicable Rate, as applicable, during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Fee Rate or the "Facility Fee" component of the Applicable Rate, as the case may be, separately for each period during such quarter that such Applicable Fee Rate or "Facility Fee" component of the Applicable Rate was in effect.

(b) Other Fees. (i) The Borrower shall pay to the Administrative Agent, the Bookrunners and the Lenders party to the Fee Letter, for their own respective accounts fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(i) The Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate

.

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall

accrue on each Loan for the day on which such Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which such Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower, the Administrative Agent or the Required Lenders determine that (i) the Consolidated Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the applicable L/C Issuer, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to any Loan Party under any Debtor Relief Law, automatically and without further action by the Administrative Agent, any Lender or any L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or any L/C Issuer, as the case may be, under any other provision of this Agreement, including without limitation, Section 2.03(c)(iii), 2.03(h) or 2.08(b) or under Article VIII. The Borrower's obligations under this paragraph shall survive the termination of the Revolving Credit Facility and the Term Facilities and the repayment of all other Obligations hereunder.

2.11 Evidence of Debt

.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in Section 2.11(a) above, each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback

.

(a) General. All payments to be made by any Loan Party shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by any Loan Party hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage in respect of the relevant Facility (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by any Loan Party shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Committed Borrowing of Eurodollar Rate Loans (or, in the case of any Committed Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Committed Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Committed Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Committed Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Committed Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Committed Loan included in such Committed Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(i) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or any L/C Issuer hereunder that the Borrower will not make such payment, the

Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Appropriate Lenders or the applicable L/C Issuer, as the case may be, the amount due. With respect to any payment that the Administrative Agent makes for the account of the Lenders hereunder as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment referred to as the "Rescindable Amount") : (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; then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender to the Borrower as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Committed Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Committed Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Committed Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(f) Insufficient Funds. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, L/C Borrowings, interest and fees then due hereunder, such funds shall be applied (i) first, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due such parties, and (ii) second, toward payment of principal and L/C Borrowings then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and L/C Borrowings then due such parties.

2.13 Sharing of Payments by Lenders

. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Committed Loans made by it, or the participations in L/C Obligations or in Swing Line Loans held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Committed Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Committed Loans and subparticipations in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Committed Loans and other amounts owing them in respect of the Facilities, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral provided for in Sections 2.03(b)(vi), 2.04(a), 2.05 and 2.16, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than an assignment to the Borrower or any Affiliate thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Extension of Revolving Credit Maturity Date

.

(a) Request for Extension. The Borrower may, by written notice to the Administrative Agent (such notice, an "Extension Notice") not earlier than 90 days and not later than 30 days prior to (i) the Initial Revolving Credit Maturity Date, elect to extend the then applicable Revolving Credit Maturity Date for an additional six (6) months beyond the Initial Revolving Credit Maturity Date (such new Revolving Credit Maturity Date, the "First Extended Revolving Credit Maturity Date") and (ii) the First Extended Revolving Credit Maturity Date, elect to extend the then applicable Revolving Credit Maturity Date for an additional six (6) months beyond the First Extended Revolving Credit Maturity Date to the fifth anniversary of the Closing Date. The Administrative Agent shall distribute any such Extension Notice promptly to the Lenders following receipt thereof.

(b) Conditions Precedent to Effectiveness. As conditions precedent to each extension of the Revolving Credit Maturity Date, the Borrower shall satisfy each of the following requirements for such extension to become effective (in each case, the first date on which such conditions precedent are satisfied or waived, the "Extension Effective Date"):

(i) The Administrative Agent shall have received an Extension Notice within the period required under Section 2.14(a) above;

(ii) On the date of such Extension Notice and both immediately before and immediately after giving effect to such extension of the Revolving Credit Maturity Date, no Default shall have occurred and be continuing;

(iii) The Borrower shall have paid to the Administrative Agent, for the pro rata benefit of the Revolving Credit Lenders based on their Applicable Revolving Credit Percentages as of the applicable Extension Effective Date, an extension fee in an amount equal to 0.075% of the Revolving Credit Facility in effect on such date, it being agreed that such fee shall be fully earned when paid and shall not be refundable for any reason;

(iv) The Administrative Agent shall have received a certificate of the Borrower dated as of the applicable Extension Effective Date, signed by a Responsible Officer of the Borrower (i) (A) certifying and attaching the resolutions adopted by each Loan Party approving or consenting to such extension or (B) certifying that, as of such Extension Effective Date, the resolutions delivered to the Administrative Agent and the Lenders on the Closing Date include approval for an extension of the Revolving Credit Maturity Date for a period that is not less than an additional six (6) months from the Initial Revolving Credit Maturity Date and/or not less than an additional six (6) months from the First Extended Revolving Credit Maturity Date, as applicable, and are and remain in full force and effect and have not been modified, rescinded or superseded since the date of adoption and (ii) certifying that (A) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects (or, in the case of Section 5.19, all respects) on and as of the date of the Extension Notice and, both before and after giving effect to such extension, on and as of such Extension Effective Date, except (1) to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, (2) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such date (including such earlier date set forth in the foregoing clause (1)) after giving effect to such qualification and (3) for purposes of this Section 2.14, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01, and (B) no Default exists;

(v) upon the reasonable request of any Lender made at least twenty-five days prior to the applicable Extension Effective Date, the Borrower shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-

money-laundering rules and regulations, including, without limitation, the U.S. Patriot Act, in each case at least fifteen days prior to the applicable Extension Effective Date; and

(vi) at least fifteen days prior to the applicable Extension Effective Date, if the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation it shall deliver, to each Lender that so requests, in a form acceptable to such Lender, a Beneficial Ownership Certification in relation to the Borrower.

(c) Conflicting Provisions. This Section shall supersede any provisions in Section 2.13 or 11.01 to the contrary.

2.15 Increase in Facilities

.

(a) Request for Increase. Provided there exists no Default, upon written notice to the Administrative Agent, the Borrower may from time to time after the Closing Date, request an increase in the aggregate amount of the Facilities to an amount not exceeding $1,250,000,000 in the aggregate after giving effect to such increase by requesting an increase in the Revolving Credit Facility (each such increase, an "Incremental Revolving Increase"), requesting an increase in the Term A-1 Facility (each such increase, an "Incremental Term A-1 Increase"), requesting an increase in the Term A-2 Facility (each such increase, an "Incremental Term A-2 Increase") or establishing a new (or increasing an existing) tranche of pari passu term loans (each an "Incremental TL Facility"; each Incremental TL Facility, Incremental Revolving Increase, Incremental Term A-1 Increase and Incremental Term A-2 Increase are collectively referred to as "Incremental Facilities"); provided that (i) any such request for an increase shall be in a minimum amount of $25,000,000 or any lesser amount if such amount represents all remaining availability under the aggregate limit in respect of the increases set forth above (or such lesser amount as the Borrower and the Administrative Agent may agree), (ii) the written consent of the Administrative Agent (which consent shall not be unreasonably withheld) shall be required for any such increase, (iii) all Incremental Revolving Increases, Incremental Term A-1 Increases and Incremental Term A-2 Increases shall be on the same terms as the Facility being increased and (iv) all incremental commitments and loans provided as part of an Incremental TL Facility shall, subject to clauses (iii) and (iv) of the second proviso to Section 11.01, be on terms agreed to by the Borrower and the Lenders providing such Incremental TL Facility, provided, that (x) the final maturity date therefor may not be earlier than the latest maturity date (including any available extension option) of any then existing Facility and (y) if the terms of such Incremental TL Facility (other than final maturity) are not the same as the terms of the Term A-1 Facility, the Term A-2 Facility or a then existing Incremental TL Facility, such new Incremental TL Facility shall be on terms reasonably acceptable to the Administrative Agent. The Borrower may approach any Lender or any Person that would constitute an Eligible Assignee to provide all or a portion of the requested increase; provided that (w) any Lender offered or approached to provide all or a portion of the requested increase may elect or decline, in its sole discretion, to provide all or a portion of such increase, (x) no Person approached shall become a Lender without the written consent of the Administrative Agent (which consent shall not be unreasonably withheld), if such consent would be required for such Person to be an assignee of a Revolving Credit Commitment or a Revolving Credit Loan pursuant to Section 11.06(b)(iii)(B), (y) no Person approached shall become a Revolving Credit Lender without the written consent of the L/C Issuers and the Swing Line Lender and (z) the Borrower shall not be obligated to offer any existing Lender the opportunity to provide any portion

of a requested increase. At the time of sending its notice, the Borrower (in consultation with the Administrative Agent) shall specify the time period within which each Lender and other Person approached by the Borrower is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to such Lenders).

(b) Effective Date and Allocations. The Administrative Agent and the Borrower shall determine the effective date (each an "Increase Effective Date") of any Incremental Facility and the final allocation of such Incremental Facility among the Appropriate Lenders. The Administrative Agent shall promptly notify the Appropriate Lenders of the final allocation of such Incremental Facility and the applicable Increase Effective Date.

(c) Conditions to Effectiveness of Increase. As conditions precedent to each Incremental Facility, on or prior to the applicable Increase Effective Date:

(i) the Administrative Agent shall have received a certificate of each Loan Party dated as of such Increase Effective Date signed by a Responsible Officer of such Loan Party (x) (1) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase or (2) certifying that, as of such Increase Effective Date, the resolutions delivered to the Administrative Agent and the Lenders on the Closing Date (which resolutions include approval to increase the aggregate principal amount of the Facilities to an amount at least equal to $1,250,000,000) are and remain in full force and effect and have not been modified, rescinded or superseded since the date of adoption, and (y) in the case of the Borrower, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects (or, in the case of Section 5.19, all respects) on and as of such Increase Effective Date, except (1) to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, (2) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such date (including such earlier date set forth in the foregoing clause (1)) after giving effect to such qualification and (3) for purposes of this Section 2.15, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01, and (B) no Default exists;

(ii) the Administrative Agent shall have received (x) a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent and its counsel (a "New Lender Joinder Agreement") duly executed by the Borrower and each Eligible Assignee that is not an existing Lender and is becoming a Lender in connection with such increase, which New Lender Joinder Agreement shall, in order to become effective, be acknowledged and consented to in writing by the Administrative Agent, and, if such Eligible Assignee is becoming a Revolving Credit Lender, by the Swing Line Lender and the L/C Issuers and (y) written confirmation from each existing Lender, if any, participating in such Incremental Facility of the amount by which its Commitments and/or Loans, as applicable, will be increased, which confirmation, if from a Revolving Credit

Lender, shall, in order to become effective, be acknowledged and consented to in writing by the Swing Line Lender and the L/C Issuers;

(iii) upon the reasonable request of any Lender made at least twenty-five days prior to the applicable Increase Effective Date, the Borrower shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the U.S. Patriot Act, in each case at least fifteen days prior to the applicable Increase Effective Date;

(iv) at least fifteen days prior to the applicable Increase Effective Date, if the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation it shall deliver to each Lender that so requests, in a form acceptable to such Lender, a Beneficial Ownership Certification in relation to the Borrower;

(v) if requested by the Administrative Agent or any new Lender or Lender increasing its Revolving Credit Commitment or Term Loan, the Administrative Agent shall have received a favorable opinion of counsel (which counsel shall be reasonably acceptable to Administrative Agent), addressed to Administrative Agent and each Lender, as to such customary matters concerning the increase in the aggregate amount of the Facilities as Administrative Agent may reasonably request; and

(vi) the Borrower shall have paid to the Bookrunners the fee required to be paid pursuant to the Fee Letter in connection therewith.

(d) Settlement Procedures. On each Increase Effective Date, promptly following fulfillment of the conditions set forth in clause (c) of this Section 2.15, the Administrative Agent shall notify the Appropriate Lenders of the effectiveness of the applicable Incremental Facility (including the aggregate amount thereof) and the Applicable Percentage of each Appropriate Lender as a result thereof. In the event of an increase in an existing Term Facility or a new Incremental TL Facility, on such Increase Effective Date each Lender participating in such increase shall make a Term Loan with respect to the applicable Term Facility to the Borrower equal to its allocated portion of such Incremental Facility. In the event that an increase in the Revolving Credit Facility results in any change to the Applicable Revolving Credit Percentage of any Revolving Credit Lender, then on the Increase Effective Date, (i) the participation interests of the Revolving Credit Lenders in any outstanding Letters of Credit and Swing Line Loans shall be automatically reallocated among the Revolving Credit Lenders in accordance with their respective Applicable Revolving Credit Percentages after giving effect to such increase, (ii) any new Lender, and any existing Lender whose Revolving Credit Commitment has increased, shall pay to the Administrative Agent such amounts as are necessary to fund its new or increased share of all Revolving Credit Loans, (iii) the Administrative Agent will use the proceeds thereof to pay to all existing Revolving Credit Lenders whose Applicable Revolving Credit Percentage is decreasing such amounts as are necessary so that each Revolving Credit Lender's share of all Revolving Credit Loans, will be equal to its adjusted Applicable Revolving Credit Percentage, and (iv) if the Increase Effective Date occurs on a date other than the last day of an Interest Period applicable to any outstanding Loan that is a Eurodollar Rate Loan, then the Borrower shall pay any amounts

required pursuant to Section 3.05 on account of the payments made pursuant to clause (iii) of this sentence.

(e) Conflicting Provisions. This Section shall supersede any provisions in Section 2.13 or 11.01 to the contrary.

2.16 Cash Collateral

.

(a) Certain Credit Support Events. If (i) an L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, (ii) as of the Letter of Credit Issuance Expiration Date, any L/C Obligation for any reason remains outstanding (unless such L/C Obligation is already secured by Cash Collateral in an amount at least equal to the Minimum Collateral Amount), (iii) the Borrower shall be required to provide Cash Collateral pursuant to Section 8.02(c), or (iv) there shall exist a Defaulting Lender, the Borrower shall immediately (in the case of clause (iii) above) or within one Business Day (in all other cases) following any request by the Administrative Agent or the applicable L/C Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv) above, after giving effect to Section 2.17(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuers and the Lenders (including the Swing Line Lender), and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.16(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the L/C Issuers as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. The Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.16 or Sections 2.03, 2.04, 2.05, 2.17 or 8.02 in respect of Letters of Credit or Swing Line Loans shall be held and applied to the satisfaction of the specific L/C Obligations, Swing Line Loans, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the

elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 11.06(b)(vi))) or (ii) the determination by the Administrative Agent and the L/C Issuers that there exists excess Cash Collateral; provided, however, that (x) Cash Collateral furnished by or on behalf of a Loan Party shall not be released during the continuance of a Default (and following application as provided in this Section 2.16 may be otherwise applied in accordance with Section 8.03), and (y) the Person providing Cash Collateral and the L/C Issuers or the Swing Line Lender, as applicable, may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.17 Defaulting Lenders

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(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders", "Required Revolving Lenders", "Required Term A-1 Lenders", "Required Term A-2 Lenders", "Required Incremental TL Facility Lenders" and in Section 11.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise, and including any amounts made available or received by the Administrative Agent from a Defaulting Lender pursuant to Section 11.08) shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, in the case of a Defaulting Lender that is a Revolving Credit Lender, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any L/C Issuer or the Swing Line Lender hereunder; *third*, in the case of a Defaulting Lender that is a Revolving Credit Lender, to Cash Collateralize the L/C Issuers' Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.16; *fourth*, as the Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, in the case of a Defaulting Lender that is a Revolving Credit Lender, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) in the case of a Revolving Credit Lender, Cash Collateralize the L/C Issuers' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.16; *sixth*, to the payment of any amounts owing to the Lenders, any L/C Issuer or the Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, such L/C Issuer or the Swing Line Lender against such Defaulting Lender as a result of such

Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans or L/C Borrowings were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.17(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 or to post Cash Collateral pursuant to this Section 2.17(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any Unused Fee payable under Section 2.09(a) for any period during which such 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) Each Defaulting Lender that is a Revolving Credit Lender shall be entitled to receive (x) Facility Fees payable under Section 2.09(a) for any period during which such Lender is a Defaulting Lender only to the extent allocable to the sum of (1) the outstanding principal amount of the Revolving Credit Loans funded by it, and (2) its Applicable Revolving Credit Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.16 and (y) Letter of Credit Fees for any period during which such Lender is a Defaulting Lender only to the extent allocable to its Applicable Revolving Credit Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.16.

(C) With respect to any Facility Fee or Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swing Line Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the L/C Issuers and the Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's or the Swing Line Lender's Fronting Exposure to such Defaulting Lender

(determined on a ratable basis), and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. In the case of a Defaulting Lender that is a Revolving Credit Lender, all or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders that are Revolving Credit Lenders in accordance with their respective Applicable Revolving Credit Percentages (calculated without regard to such Defaulting Lender's Revolving Credit Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender that is a Revolving Credit Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. Subject to Section 11.22, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lender's Fronting Exposure and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.16.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, and, with respect to any Defaulting Lender that is a Revolving Credit Lender, the Swing Line Lender and the L/C Issuers, agree in writing that a Defaulting Lender shall no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Committed Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.17(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.18 Surge Periods.

Following the Collateral Release, the Borrower may elect, by delivery of a written notice to the Administrative Agent in a Compliance Certificate timely delivered pursuant to Section 6.02(a), that as of the last day of the fiscal quarter for which such Compliance Certificate was delivered and the next two (2) consecutive fiscal quarters (each such period of three fiscal

quarters, a "Surge Period") (i) the Consolidated Leverage Ratio may exceed 6.50 to 1.0 but not exceed 7.0 to 1.0 and (ii) Consolidated Unsecured Indebtedness may exceed 60% of the Unencumbered Asset Value but not exceed 65% of the Unencumbered Asset Value; provided that, (i) no Default has occurred and is continuing, (ii) the Applicable Rate with respect to Eurodollar Rate Loans and Base Rate Loans shall be increased during such Surge Period as set forth in the last sentence of the definition of Applicable Rate, (iii) the Borrower may not elect more than two Surge Periods during the term of this Agreement, (iv) Surge Periods may not occur consecutively (i.e., no Surge Period may commence prior to the first day of the second full fiscal quarter following the end of a prior Surge Period), and (v) each Surge Period shall be in connection with a Material Acquisition that occurs during the first fiscal quarter of such Surge Period. The Borrower may elect to terminate any ongoing Surge Period by delivery of a written notice to the Administrative Agent (which termination, for the avoidance of doubt, shall not have retroactive effect) .

2.19 Term A-1 Hedged Portion and Term A-2 Hedged Portion.

On the Second Amendment Effective Date, in order to accommodate the establishment of differing rate floors for the portion of the Term A-1 Facility and Term A-2 Facility for which the Borrower has entered into a hedge or swap (or other similar) agreement for purposes of hedging its exposure to fluctuations in the Eurodollar Rate and the portion of the Term A-1 Facility and Term A-2 Facility for which the Borrower has not entered into a hedge or swap (or other similar) agreement for purposes of hedging its exposure to fluctuations in the Eurodollar Rate, the Term A-1 Facility will be identified in two parts as the Term A-1 Hedged Portion and the Term A-1 Unhedged Portion and the Term A-2 Facility will be identified in two parts as the Term A-2 Hedged Portion and the Term A-2 Unhedged Portion. Each Term A-1 Lender will hold each of the Term A-1 Hedged Portion and the Term A-1 Unhedged Portion ratably in accordance with such Term A-1 Lender's Applicable Percentage of the Term A-1 Facility, and each Term A-2 Lender will hold each of the Term A-2 Hedged Portion and the Term A-2 Unhedged Portion ratably in accordance with such Term A-2 Lender's Applicable Percentage of the Term A-2 Facility, in each case, as set forth on Schedule 2.01 on the Second Amendment Effective Date (as the same may be updated from time to time by Administrative Agent after receipt of a Hedge Change Notice). Other than with respect to the differing rate floors, the Interest Periods and all other payment and interest terms applicable to the Term A-1 Loans will be applicable to the Term A-1 Hedged Portion and the Term A-1 Unhedged Portion and to the Term A-2 Loans will be applicable to the Term A-2 Hedged Portion and the Term A-2 Unhedged Portion. The Borrower will provide the Administrative Agent written notice within five (5) Business Days after any change in the amount of the Term A-1 Facility or the Term A-2 Facility for which Borrower has entered into a hedge or swap (or other similar) agreement (a "Hedge Change Notice"). The Administrative Agent will, if it deems necessary, then adjust the Register and Schedule 2.01 in the amount of the Term A-1 Hedged Portion, Term A-1 Unhedged Portion, Term A-2 Hedged Portion and Term A-2 Unhedged Portion, as applicable, in accordance with such notice as soon as administratively feasible. If, as a result of the Borrower's failure to deliver a Hedge Change Notice to the Administrative Agent for any reason, the Administrative Agent or the Required Lenders determine that a delivery of a Hedge Change Notice would have resulted in higher pricing for such period as a result of a higher interest rate floor, the Borrower shall, retroactively to the date that the Hedge Change Notice should have been delivered, be obligated to pay to the Administrative Agent for the account of the Term A-1 Lenders or Term A-2 Lenders, as applicable, promptly on

demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent or any Term Lender), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period.

ARTICLE III. TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes

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(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or a Loan Party, then the Administrative Agent or such Loan Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Loan Party or the Administrative Agent shall be required by the Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If any Loan Party or the Administrative Agent shall be required by any applicable Laws other than the Code to withhold or deduct any Taxes from any payment, then (A) such Loan Party or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section

3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Loan Parties. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Each of the Loan Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or an L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or an L/C Issuer, shall be conclusive absent manifest error. Each of the Loan Parties shall, and does hereby, jointly and severally indemnify the Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, for any amount which a Lender or an L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender and L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (*x*) the Administrative Agent against any Indemnified Taxes attributable to such Lender or such L/C Issuer (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), (*y*) the Administrative Agent and the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (*z*) the Administrative Agent and the Loan Parties, as applicable, against any Excluded Taxes attributable to such Lender or such L/C Issuer, in each case, that are payable or paid by the Administrative Agent or a Loan Party 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 and L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or such L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority as provided in this Section 3.01, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), (ii)(B) and (ii)(D) below) 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, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), 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 prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(I) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BENE (or

W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BENE (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) executed copies of IRS Form W-8ECI;

(III) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BENE (or W-8BEN, as applicable); or

(IV) 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-8BENE (or W-8BEN, as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-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 H-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), 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 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 Code)

and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 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.

(iv) For purposes of determining withholding Taxes imposed under FATCA, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loans and this Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or an L/C Issuer, or have any obligation to pay to any Lender or any L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or such L/C Issuer, as the case may be. If any Recipient 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 by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to such Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that each Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to any Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient 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 Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) Payments made by Administrative Agent. For the avoidance of doubt, any payments made by the Administrative Agent to any Lender shall be treated as payments made by the applicable Loan Party.

(h) Lender treated as Partnership. If any Lender is treated as partnership for purposes of an applicable Indemnified Tax or Other Tax, any withholding made by such Lender shall be treated as if such withholding had been made by the Borrower or the Administrative Agent.

(i) L/C Issuers and Swing Line Lender. For purposes of this Section 3.01, the term "Lender" shall include each L/C Issuer and the Swing Line Lender.

(j) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or an L/C Issuer, the termination of the Revolving Credit Facility and the Term Facilities and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality

. 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 Lending Office to perform any of its obligations hereunder or make, maintain or fund or charge interest with respect to any Credit Extension or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (i) any obligation of such Lender to issue, make, maintain, fund or charge interest with respect to any such Credit Extension or continue Eurodollar Rate Loans or to convert Base Rate Committed Loans to Eurodollar Rate Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate 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, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate 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 the Eurodollar Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates

. If in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof (a) the Administrative Agent determines that (i) Dollar deposits are not being offered to banks in the London interbank Eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan, or (ii) adequate and

reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan (in each case with respect to clause (a)(i) above, the "Impacted Loans"), or (b) the Administrative Agent or the affected Lenders determine that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Eurodollar Rate Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the affected Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans in the amount specified therein.

Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (a)(i) of this section, the Administrative Agent, in consultation with the Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (a) of the first sentence of this section, (2) the Administrative Agent or the affected Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.

3.04 Increased Costs; Reserves on Eurodollar Rate Loans

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(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(e)) or any L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or any L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or such L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or such L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such L/C Issuer, the Borrower will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or any L/C Issuer determines that any Change in Law affecting such Lender or such L/C Issuer or any Lending Office of such Lender or such Lender's or such L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such L/C Issuer's capital or on the capital of such Lender's or such L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by such L/C Issuer, to a level below that which such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such L/C Issuer's policies and the policies of such Lender's or such L/C Issuer's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or an L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or such L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or such L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or any L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section 3.04 shall not constitute a waiver of such Lender's or such L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or an L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or such L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurodollar Rate Loans. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest or costs from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest or costs shall be due and payable 10 days from receipt of such notice.

3.05 Compensation for Losses

. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert into any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 11.13;

including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.06 Mitigation Obligations; Replacement of Lenders

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(a) Designation of a Different Lending Office. Each Lender may make any Credit Extension to the Borrower through any Lending Office, provided that the exercise of this option shall not affect the obligation of the Borrower to repay any Credit Extension in accordance with the terms of this Agreement. If any Lender requests compensation under Section 3.04, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender, any L/C Issuer, or any Governmental Authority for the account of any Lender or any L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then, at the request of the Borrower, such Lender or such L/C Issuer shall, as applicable, use reasonable efforts to designate a different

Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or such L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or such L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or such L/C Issuer, as the case may be. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or any L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, 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 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Borrower may replace such Lender in accordance with Section 11.13.

3.07 LIBOR Successor Rate

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(a) 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 Borrower) that the Borrower or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period, including because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which LIBOR or the LIBOR Screen Rate shall no longer be made available, or used for determining the interest rate of loans (such specific date, the "Scheduled Unavailability Date"), or

(iii) syndicated loans currently being executed, or that include language similar to that contained in this Section 3.07, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR,

then, within a reasonable period of time after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace LIBOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a "LIBOR Successor Rate"), together with any proposed LIBOR Successor Rate Conforming Changes and any such amendment shall become effective at 5:00 p.m. (New York time) 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 do not accept such amendment.

(b) If no LIBOR Successor Rate has been determined and the circumstances under clause (i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended, (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) the Eurodollar Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans (subject to the foregoing clause (y)) in the amount specified therein.

Notwithstanding anything else herein, any LIBOR Successor Rate that is adopted in accordance herewith shall provide that in no event shall such rate be less than 0.25% for purposes of this Agreement (except for any portion of Term Loan A-1 or Term Loan A-2 that is subject to a hedge or swap (or other similar) agreement as certified by Borrower in writing to the Administrative Agent).

(c) This Section shall supersede any provisions in Section 11.01 to the contrary.

3.08 Survival

. All of the Borrower's obligations under this Article III shall survive the termination of the Revolving Credit Facility and the Term Facilities, repayment of all other Obligations hereunder, and resignation of the Administrative Agent.

ARTICLE IV. CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Initial Credit Extension

. The effectiveness of this Agreement and the obligation of each L/C Issuer and each Lender to make its initial Credit Extension hereunder 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 e-mails (in a .pdf format) or telecopies (in each case, 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 and each of the Lenders:

(i) executed counterparts of this Agreement, sufficient in number for distribution to the Administrative Agent, each Lender and the Borrower;

(ii) a Revolving Credit Note executed by the Borrower in favor of each Revolving Credit Lender requesting a Revolving Credit Note, a Term A-1 Note executed by the Borrower in favor of each Term A-1 Lender requesting a Term A-1 Note and a

Term A-2 Note executed by the Borrower in favor of each Term A-2 Lender requesting a Term A-2 Note;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party;

(iv) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing and qualified to engage in business in (A) its jurisdiction of organization and (B) each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(v) a favorable opinion of McGuireWoods LLP, counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, as to the matters concerning the Loan Parties and the Loan Documents as the Administrative Agent may reasonably request;

(vi) a certificate of a Responsible Officer of Borrower either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by each Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;

(vii) a certificate signed by a Responsible Officer of the Borrower certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied**,** (B) that there has been no event or circumstance since December 31, 2017 that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect and (C) that no action, suit, investigation or proceeding is pending or, to the knowledge of any Loan Party, threatened in any court or before any arbitrator or Governmental Authority that (1) relates to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or thereby, or (2) could reasonably be expected to have a Material Adverse Effect;

(viii) a Solvency Certificate from the Borrower certifying that, after giving effect to the transactions to occur on the Closing Date (including, without limitation, all Credit Extensions to occur on the Closing Date), each Loan Party is, individually and together with its Subsidiaries on a consolidated basis, Solvent;

(ix) a duly completed Compliance Certificate, giving pro forma effect to the transactions to occur on the Closing Date (including, without limitation, all Credit

Extensions to occur on the Closing Date) (such Compliance Certificate, the "Pro Forma Closing Date Compliance Certificate");

(x) the financial statements referenced in Section 5.05(a) and (b); and

(xi) such other assurances, certificates, documents, consents or opinions as the Administrative Agent, the L/C Issuers, the Swing Line Lender or the Required Lenders reasonably may require.

(b) Any fees required hereunder or under the Fee Letter to be paid on or before the Closing Date shall have been paid.

(c) Upon the reasonable request of any Lender made at least ten days prior to the Closing Date, the Borrower shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the U.S. Patriot Act, in each case at least five days prior to the Closing Date.

(d) At least five days prior to the Closing Date, if the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation it shall deliver to each Lender that so requests, in a form acceptable to such Lender, a Beneficial Ownership Certification in relation to the Borrower.

(e) Unless waived by the Administrative Agent, the Borrower shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced (which invoice may be in summary form) prior to or on the Closing Date, 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).

Without limiting the generality of the provisions of the last paragraph of Section 9.03, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement 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 a Lender unless the Administrative Agent shall have received written notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

Notwithstanding anything contained elsewhere in this Agreement, each Lender that is a "Lender" (as defined in the Existing Credit Agreement) hereby waives any right to indemnification for any funding loss or expense that such Lender may sustain or incur as a result of a prepayment by the Borrower of any Loans outstanding under the Existing Credit Agreement on the Closing Date prior to the last day of the "Interest Period" (as defined in the Existing Credit Agreement) applicable thereto that is required to effect the refinancing of loans under the Existing Credit Agreement with Loans made under this Agreement or as a result of the allocation of any Loans to Lenders that were not "Lenders" under the Existing Credit Agreement.

4.02 Conditions to all Credit Extensions

. The obligation of each Lender to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type, or a continuation of Eurodollar Rate Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Borrower and each other Loan Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (or, in the case of Section 5.19, all respects) on and as of the date of such Credit Extension, except (i) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, (ii) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such date (including such earlier date set forth in the foregoing clause (i)) after giving effect to such qualification and (iii) that for purposes of this Section 4.02, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01.

(b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent and, if applicable, an L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type or a continuation of Eurodollar Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V. REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Administrative Agent and the Lenders that:

5.01 Existence, Qualification and Power

. Each Loan Party and each of its Subsidiaries (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, except, solely in the case of a Subsidiary of the Borrower that is not a Loan Party, to the extent that the failure of such Subsidiary to be duly organized or formed and in good standing could not reasonably be expected to have a Material Adverse Effect, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i)

or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.02 Authorization; No Contravention

. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law.

5.03 Governmental Authorization; Other Consents

. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document.

5.04 Binding Effect

. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms.

5.05 Financial Statements; No Material Adverse Effect

.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Borrower and its Consolidated Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Consolidated Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited consolidated balance sheet of the Borrower and its Subsidiaries dated March 31, 2018, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected

to have a Material Adverse Effect; provided that, any determination of the existence of a Material Adverse Effect (solely, for purposes of any determination under clause (a) of the definition of Material Adverse Effect under this Section 5.05(c)) made with respect to any portion of the period commencing on the Second Amendment Effective Date through June 30, 2021, shall exclude any event or circumstance resulting from the COVID-19 pandemic to the extent such event or circumstance has been publicly disclosed by the Borrower in its securities filings or disclosed in writing by the Borrower to the Administrative Agent and the Lenders prior to the Second Amendment Effective Date, and the scope of such adverse effect is no greater than that which has been disclosed.

(d) The consolidated forecasted balance sheet and statements of income and cash flows of the Borrower and its Subsidiaries delivered pursuant to Section 6.01(c) 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 Borrower's best estimate of its future financial condition and performance.

(e) Schedule 5.05 sets forth all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries not included in such financial statements, including liabilities for taxes, material commitments and Indebtedness.

5.06 Litigation

. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of any Loan Party after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect. There are no judgments, final orders or awards outstanding against or affecting any Borrower, any other Loan Party or any of their respective Subsidiaries or any Unencumbered Eligible Property individually or in the aggregate in excess of $10,000,000.

5.07 No Default

. Neither any Loan Party nor any Subsidiary thereof is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. 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.

5.08 Ownership of Property; Liens

. Each Loan Party and each of its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of each Loan Party and its Subsidiaries is subject to no Liens, other than Liens permitted by Section 7.01.

5.09 Environmental Compliance

. Except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither a Loan Party nor any of its Subsidiaries (i) has failed to comply with any applicable Environmental

Law or to obtain, maintain or comply with any Environmental Permit required under any applicable Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

5.10 Insurance

. The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in each of the localities where the Borrower or any of its Subsidiaries operates and/or owns properties.

5.11 Taxes

. Each Loan Party and each of its Subsidiaries has timely filed all federal, state and other material tax returns and reports required to be filed, and has timely paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Loan Party or any Subsidiary thereof that would, if made, have a Material Adverse Effect. Neither any Loan Party nor any Subsidiary thereof is party to any tax sharing agreement.

5.12 ERISA Compliance

.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of the Loan Parties, nothing has occurred that would prevent or cause the loss of such tax-qualified status. None of the Unencumbered Eligible Properties constitutes a "plan asset" of any "benefit plan investor" within the meaning of section 3(42) of ERISA.

(b) There are no pending or, to the best knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and neither any Loan Party nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) each Loan Party and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or

higher and neither any Loan Party nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iv) neither any Loan Party nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) neither any Loan Party nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) Neither the Borrower nor any ERISA Affiliate maintains or contributes to, or has any unsatisfied obligation to contribute to, or liability under, any active or terminated Pension Plan other than (A) on the Closing Date, those listed on Schedule 5.12(d) hereto and (B) thereafter, Pension Plans not otherwise prohibited by this Agreement.

(e) Neither the Borrower nor any Guarantor is or will be using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments.

5.13 Subsidiaries; Equity Interests; Loan Parties

. As of the Second Amendment Effective Date, no Loan Party has any Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13, and all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by a Loan Party or a Subsidiary thereof in the amounts specified on Part (a) of Schedule 5.13 free and clear of all Liens other than Permitted Equity Encumbrances. All of the outstanding Equity Interests in each Loan Party have been validly issued and are fully paid and nonassessable. The Borrower has no equity investments in any other corporation or entity other than those specifically disclosed in Part (b) of Schedule 5.13. Set forth on Part (c) of Schedule 5.13 is a complete and accurate list of all Loan Parties as of the Second Amendment Effective Date, showing (as to each such Loan Party) the jurisdiction of its incorporation or organization, the address of its chief executive office and principal place of business and the type of organization it is.

5.14 Margin Regulations; Investment Company Act

.

(a) Such Loan Party is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) will be margin stock.

(b) None of the Borrower, any Person Controlling the Borrower, or any Subsidiary of the Borrower is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

5.15 Disclosure

. Each Loan Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, each Loan Party represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

5.16 Compliance with Laws

. Each Loan Party and each Subsidiary thereof is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.17 Taxpayer Identification Number

. Each Loan Party's true and correct U.S. taxpayer identification number is set forth on Schedule 11.02 (or, in the case of a Subsidiary that becomes a Loan Party after the Closing Date, is set forth in the information provided to the Administrative Agent with respect to such Subsidiary pursuant to Section 6.12).

5.18 Intellectual Property; Licenses, Etc.

Each Loan Party, and each of its Subsidiaries, owns, or possesses the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person. To the best knowledge of the Loan Parties, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by any Loan Party or any of their Subsidiaries infringes upon any rights held by any other Person. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Loan Parties, threatened, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.19 Beneficial Ownership

. As of the Closing Date, each Increase Effective Date and each Extension Effective Date, the information included in each Beneficial Ownership Certification delivered to the Administrative Agent and/or any Lender on such date is true and correct in all respects.

5.20 Solvency

. Each Loan Party is, individually and together with its Subsidiaries on a consolidated basis, Solvent.

5.21 REIT Status

. The Borrower is organized and operated in a manner that allows it to qualify for REIT Status.

5.22 Unencumbered Eligible Properties

. Each property included in any calculation of Unencumbered Asset Value or Unencumbered Adjusted NOI satisfied, at the time of such calculation, all of the requirements contained in the definition of "Unencumbered Eligible Property".

5.23 Casualty; Etc.

(a) Neither the businesses nor the properties 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), condemnation or eminent domain that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.24 OFAC; Anti-Money Laundering; Anti-Corruption Laws; Sanctions

.

(a) Neither the Borrower, nor any of its Subsidiaries, nor, to the knowledge of the Borrower and its Subsidiaries, any Related Party thereof (i) has violated or is in violation of any applicable anti-money laundering law or (ii) has engaged or engages in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of offenses designated in any applicable law, regulation or other binding measure implementing the "Forty Recommendations" and "Nine Special Recommendations" published by the Organisation for Economic Cooperation and Development's Financial Action Task Force on Money Laundering.

(b) The Borrower and its Subsidiaries have conducted their businesses in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

(c) Neither the Borrower, nor any of its Subsidiaries, nor, to the knowledge of the Borrower and its Subsidiaries, any Related Party thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

(d) Neither any Loan, nor the proceeds from any Credit Extension, has been used, directly or indirectly, to lend, contribute, provide or has otherwise been made available to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including any Lender, any Bookrunner, any Arranger, the Administrative Agent, any L/C Issuer or the Swing Line Lender) of Sanctions.

5.25 Affected Financial Institutions

. Neither the Borrower nor any Guarantor is an Affected Financial Institution.

ARTICLE VI. AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Loan Parties shall, and shall cause each of their respective Subsidiaries to (or, solely in the case of the covenants set forth in Sections 6.01, 6.02, 6.03, 6.12, 6.15 and 6.20, the Borrower shall):

6.01 Financial Statements

. Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower (or, if earlier, 5 days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)) (commencing with the fiscal year ended December 31, 2018), a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Required Lenders, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit, and which report shall state that such financial statements fairly present the consolidated financial condition of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except for changes with which such independent certified public accountant, if applicable, shall concur and which shall have been disclosed in the notes to such financial statements) (which report shall be subject to the confidentiality limitations set forth herein); and

(b) as soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (or, if earlier, 5 days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)) (commencing with the fiscal quarter ending June 30, 2018) an unaudited consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, the related unaudited consolidated statements of income or operations for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, and the related unaudited consolidated statements of changes in shareholders' equity, and cash flows for the portion of the Borrower's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, certified by the chief financial officer or accounting officer of the Borrower as fairly presenting the consolidated financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; and

(c) as soon as available, but no later than January 31st of each fiscal year of the Borrower, forecasts prepared by management of the Borrower, in form satisfactory to the Administrative Agent and the Required Lenders, of consolidated balance sheets and statements of

income or operations and cash flows of the Borrower and its Subsidiaries on a quarterly basis for the immediately following fiscal year (including the fiscal year in which the Maturity Date of any Term Facility occurs).

As to any information contained in materials furnished pursuant to Section 6.02(c), the Loan Parties shall not be separately required to furnish such information under Section 6.01(a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Loan Parties to furnish the information and materials described in Sections 6.01(a) and (b) above at the times specified therein.

6.02 Certificates; Other Information

. Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b), a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the Borrower (which delivery may, unless the Administrative Agent, or a Lender requests executed originals, be by electronic communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes). Each Compliance Certificate shall be accompanied by (i) copies of the statements of Net Operating Income for such fiscal quarter or year for each of the Unencumbered Eligible Properties and Funds from Operations, prepared on a basis consistent with the Audited Financial Statements and otherwise in form and substance reasonably satisfactory to the Administrative Agent, together with a certification by the chief financial officer or chief accounting officer of the Borrower that the information contained in such statement fairly presents the Net Operating Income of the Unencumbered Eligible Properties for such periods and (ii) a calculation, in form and substance satisfactory to the Administrative Agent, of the Unencumbered Asset Value as of the last day of the fiscal period covered by such Compliance Certificate.

(b) promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or similar governing body) (or the audit committee of the board of directors or similar governing body) of any Loan Party by independent accountants in connection with the accounts or books of the Borrower or any Subsidiary, or any audit of any of them;

(c) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of the Borrower, and copies of all annual, regular, periodic and special reports and registration statements which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(d) promptly after the furnishing thereof, copies of any material statement or report furnished to any holder of material debt securities of any Loan Party or any Subsidiary thereof pursuant to the terms of any indenture, loan or credit or similar agreement, and not otherwise required to be furnished to the Lenders pursuant to Section 6.01 or any other clause of this Section 6.02;

(e) promptly, and in any event within five Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation by such agency regarding financial or other operational results of any Loan Party or any Subsidiary thereof;

(f) promptly after the assertion or occurrence thereof, notice of any action or proceeding against or of any noncompliance by any Loan Party or any of its Subsidiaries with any Environmental Law or Environmental Permit that could reasonably be expected to have a Material Adverse Effect;

(g) promptly following any request therefor, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the U.S. Patriot Act and the Beneficial Ownership Regulation;

(h) commencing with the calendar month ending June 30, 2020 and each calendar month thereafter ending prior to the Covenant Waiver Period Termination Date, not later than seven (7) Business Days after the end of each such calendar month, a written certificate in form reasonably satisfactory to the Administrative Agent and executed on behalf of the Borrower by its chief executive officer, chief financial officer or chief accounting officer, (i) which certificate shall include, as of the end of such calendar month, reasonably detailed calculations required to establish (A) the average Liquidity for such calendar month and (B) the Liquidity as of the last day of such calendar month and (ii) stating that, to the best of his or her knowledge, information or belief, after due inquiry, no Default exists, or, if such is not the case, specifying such Default and its nature, when it occurred and the steps being taken by the Borrower with respect to such event, condition or failure; and

(i) promptly following any request therefor, such other information regarding the operations, business or corporate affairs or financial condition of the Loan Parties or any of their Subsidiaries, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request.

Documents required to be delivered pursuant to Section 6.01(a) or (b) or Section 6.02(c) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 11.02; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that the Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender upon its request to the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request

by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

Each Loan Party hereby acknowledges that (a) the Administrative Agent, the Arrangers and/or the Bookrunners may, but shall not be obligated to, make available to the Lenders and the L/C Issuers materials and/or information provided by or on behalf of any Loan Party hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks, Syndtrak, ClearPar or 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 Borrower 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. Each Loan Party 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," each Loan Party shall be deemed to have authorized the Administrative Agent, the Arrangers, the Bookrunners, the L/C Issuers and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Loan Parties or their respective 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 Section 11.07); (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, the Arrangers and the 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."

6.03 Notices

. Promptly notify the Administrative Agent and each Lender:

(a) of the occurrence of any Default;

(b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Contractual Obligation of any Loan Party or any Subsidiary thereof; (ii) any dispute, litigation, investigation, proceeding or suspension between any Loan Party or any Subsidiary thereof and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or any Subsidiary thereof, including pursuant to any applicable Environmental Laws that could reasonably be expected to result in a Material Adverse Effect;

(c) within five (5) Business Days of (i) the occurrence of any event which constitutes or which with the passage of time, the giving of notice, or otherwise would constitute a default or event of default by any party under any Material Contract to which any such Person is a party or by which any such Person or any of its respective properties may be bound; (ii) any termination of a Material Contract; or (iii) the execution of a new Management Agreement, Operating Lease or Franchise Agreement or any amendment or waiver of a Management Agreement, Operating Lease or Franchise Agreement with respect to a Hotel Property that includes any material changes to the existing agreement;

(d) of the occurrence of any ERISA Event;

(e) of any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary thereof, including any determination by the Borrower referred to in Section 2.10(b);

(f) of any announcement by Moody's, S&P or Fitch of any change in a Debt Rating; provided, that the provisions of this clause (f) shall not apply until such time, if any, as the Borrower obtains an Investment Grade Credit Rating; and

(g) within five (5) Business Days of becoming aware of (i) any potential or known Release, or threat of Release, of any Hazardous Materials in violation of any applicable Environmental Law at any Real Estate; (ii) any violation of any Environmental Law that any Loan Party or any of their respective Subsidiaries reports in writing or is reportable by such Person in writing (or for which any written report supplemental to any oral report is made) to any federal, state or local environmental agency or (iii) any inquiry, proceeding, investigation, or other action, including a notice from any agency of potential environmental liability, of any federal, state or local environmental agency or board, that in any case involves (A) any Unencumbered Eligible Property, or (B) any other Real Estate and could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.03 (other than Section 6.03(f)) shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower and the other Loan Parties have taken and propose to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 Payment of Obligations

. Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by such Loan Party or such Subsidiary; (b) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

6.05 Preservation of Existence, Etc.

(a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 7.04 or 7.05; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

6.06 Maintenance of Properties

. (a) Maintain, preserve and protect all of its material properties, Unencumbered Eligible Properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) use the standard of care typical in the industry for similar facilities in similar locations in the operation and maintenance of its facilities.

6.07 Maintenance of Insurance

. Maintain and cause each of its Subsidiaries to maintain with financially sound and reputable insurance companies not Affiliates of the Borrower, insurance with respect to its properties and its business against general liability, property casualty and such casualties and contingencies as shall be commercially reasonable and in accordance with the customary and general practices of businesses having similar operations and real estate portfolios in similar geographic areas and in amounts, containing such terms, in such forms and for such periods as may be reasonable and prudent for such businesses, including without limitation, insurance policies and programs sufficient to cover (a) the replacement value of the improvements on the subject Real Estate (less commercially reasonable deductible amounts) and (b) liability risks associated with such ownership (less commercially reasonable deductible amounts).

6.08 Compliance with Laws

. Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 Books and Records

. (a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Loan Party or such Subsidiary, as the case may be; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over such Loan Party or such Subsidiary, as the case may be.

6.10 Inspection Rights

. Permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of the Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; provided, however, that when an Event of Default exists 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.

6.11 Use of Proceeds

. Use the proceeds of the Credit Extensions for general corporate purposes, including for acquisitions and stock repurchases, not in contravention of any Law or of any Loan Document.

6.12 Additional Unencumbered Eligible Properties and Guarantors

.

(a) If at any time the Borrower or a Wholly Owned Subsidiary of the Borrower owns or leases (as the lessee under an Eligible Ground Lease) a property that the Borrower wants to include as an Unencumbered Eligible Property under this Agreement, prior to any such inclusion the Borrower shall:

(i) notify the Administrative Agent in writing of its intention to include such property as an Unencumbered Eligible Property, which notice shall include (x) a list of each Subsidiary of the Borrower that is the Direct Owner or an Indirect Owner of such property and (y) if such property will be included on or after the Investment Grade Permitted Release, an Officer's Certificate certifying to the Administrative Agent and the Lenders as to whether or not the Direct Owner or any Indirect Owner of such property is a borrower or guarantor of, or otherwise obligated in respect of, any Recourse Indebtedness (each Subsidiary referred to in the foregoing clause (x) being referred to as a "New Subsidiary");

(ii) provide the Administrative Agent with the U.S. taxpayer identification for each such New Subsidiary; and

(iii) provide the Administrative Agent and each Lender with all documentation and other information concerning each such New Subsidiary that the Administrative Agent or such Lender requests in order to comply with its obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the U.S. Patriot Act.

(iv) deliver to the Administrative Agent (1) the items referenced in Section 4.01(a)(iii), (iv) and (vi) with respect to such New Subsidiary and (2) as and to the extent requested by the Administrative Agent, deliver to the Administrative Agent a favorable opinion of counsel, which counsel shall be reasonably acceptable to the Administrative Agent, addressed to the Administrative Agent and each Lender, as to such matters concerning such New Subsidiary and the Loan Documents as the Administrative Agent may reasonably request; and

(v) cause each such New Subsidiary to execute and deliver a joinder agreement in substantially the form of Exhibit G; provided that after the Investment Grade Permitted Release, a New Subsidiary that is not a borrower or guarantor of, or otherwise obligated in respect of, any Recourse Indebtedness shall not be required to become a Guarantor (and the Borrower shall not be required to take any of the related actions described in clauses (ii) through (iv) above).

(b) Notwithstanding anything to the contrary contained in this Agreement, in the event that the results of any such "know your customer" or similar investigation conducted by the Administrative Agent with respect to any New Subsidiary are not satisfactory in all respects to the Administrative Agent, such New Subsidiary shall not be permitted to become a Guarantor, and for the avoidance of doubt no Real Estate owned or ground leased, directly or indirectly, by such New

Subsidiary shall be included as an Unencumbered Eligible Property without the prior written consent of the Administrative Agent.

6.13 Compliance with Environmental Laws

. Comply, in all material respects, with all applicable Environmental Laws and Environmental Permits held by it; obtain and renew all Environmental Permits necessary for its operations and properties; and conduct any investigation, study, sampling and testing, and undertake any cleanup, response, removal, remedial or other action necessary to remove, remediate and clean up all Hazardous Materials at, on, under or emanating from any of the properties owned, leased or operated by it in accordance with the requirements of all applicable Environmental Laws; provided, however, that Loan Parties and their Subsidiaries shall not be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

6.14 Further Assurances

. Promptly upon request by the Administrative Agent, or any Lender through the Administrative Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (i) carry out more effectively the purposes of the Loan Documents and (ii) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Creditor Parties the rights granted or now or hereafter intended to be granted to the Creditor Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so and (c) without limiting the foregoing, during the period commencing with the Security Trigger Event until the Collateral Release, cause each Loan Party that owns any Collateral to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and take or cause to be taken such further actions (including the filing and recording of financing statements), which may be required by applicable Laws and which the Administrative Agent may, from time to time until such time as the applicable Collateral shall be released pursuant to the terms of this Agreement and the other Loan Documents, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to perfect and maintain the validity, effectiveness and priority of the Liens created or intended to be created by the Pledge Agreement in the Collateral, all at the expense of the Borrower; provided, that no Subsidiary that is a Direct Owner or Indirect Owner of any Unencumbered Eligible Property shall be permitted to certificate its Equity Interests or make an election under Article 8 of the UCC unless such certificates are promptly delivered to the Administrative Agent, together with an endorsement in blank.

6.15 Maintenance of REIT Status

; New York Stock Exchange or NASDAQ Listing. At all times continue to be organized and operated in a manner that will allow the Borrower to (i) qualify for REIT Status and (ii) remain publicly traded with securities listed on the New York Stock Exchange or the NASDAQ Stock Market.

6.16 Material Contracts

. Perform and observe all the 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 accordance with its terms, except, in any case, where the failure to do so, either individually or in the aggregate, could not reasonably be likely to have a Material Adverse Effect.

6.17 Business Operations

. Operate their respective businesses in substantially the same manner and in substantially the same fields and lines of business as such business is now conducted and in compliance with the terms and conditions of this Agreement and the other Loan Documents.

6.18 Distributions of Income

. Cause all of the Subsidiaries (subject to the terms of any loan documents under which such Subsidiary is the borrower) to promptly distribute to the Borrower (but not less frequently than once each calendar quarter, unless otherwise approved by the Administrative Agent), whether in the form of dividends, distributions or otherwise, all profits, proceeds or other income relating to or arising from the Subsidiaries' use, operation, financing, refinancing, sale or other disposition of their respective assets and properties after (a) the payment by each Subsidiary of its debt service, operating expenses, capital improvements and leasing commissions for such quarter and (b) the establishment of reasonable reserves for the payment of operating expenses not paid on at least a quarterly basis and capital improvements to be made to such Subsidiary's assets and properties approved by such Subsidiary in the course of its business consistent with its past practices.

6.19 Anti-Corruption Laws

. Conduct its businesses in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and maintain policies and procedures designed to promote and achieve compliance with such laws.

6.20 Pledge Requirement

(a) . (a) Promptly notify the Administrative Agent of the occurrence of a Security Trigger Event and (i) within 30 days of the occurrence of such Security Trigger Event (or such later date as agreed to in writing by the Administrative Agent) execute and deliver the Pledge Agreement and take such action as reasonably necessary to cause all of the issued and outstanding Equity Interests of each Subsidiary of the Borrower that is the Direct Owner or an Indirect Owner of an Unencumbered Eligible Property (collectively, the "Collateral"), to be subject to a perfected Lien in favor of the Administrative Agent to secure the Obligations and (ii) at any time thereafter during the Covenant Waiver Period, within 30 days after the formation or acquisition of any Subsidiary of the Borrower (including any acquisition pursuant to a Division) that is the Direct Owner or an Indirect Owner of an Unencumbered Eligible Property, cause all of the issued and outstanding Equity Interests of such Subsidiary of the Borrower to be subject to a perfected Lien in favor of the Administrative Agent, in each case in accordance with the terms and conditions of the Intercreditor Agreement and the Pledge Agreement.

(b) In connection with each pledge of Collateral, provide the following:

(i) such other agreements, instruments and other documents as reasonably requested by the Administrative Agent in connection therewith, including with respect to the organization, existence and good standing of each pledgor of Collateral, and the

authorization of the transactions and documents relating to such pledge, all in form and substance satisfactory to the Administrative Agent; and

(ii) favorable written legal opinions of counsel for the pledgors of Collateral, covering matters customarily addressed in connection with the grant of a pledge of Equity Interests and relating to the documents relating to such pledge as the Administrative Agent shall reasonably request, including favorable customary written opinions from local counsel to such pledgors in the jurisdiction in which any Uniform Commercial Code financing statements are to be filed, confirming the creation and perfection of the liens on and security interests in the Collateral, in form and substance reasonably satisfactory to the Administrative Agent.

ARTICLE VII. NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Loan Parties shall not, nor shall they permit any of their respective Subsidiaries to, directly or indirectly:

7.01 Liens

. Create, incur, assume or suffer to exist any Lien upon any Unencumbered Eligible Property, the Equity Interests of any Loan Party or any income from or proceeds of any of the foregoing, or sign, file, authorize or suffer to exist under the Uniform Commercial Code of any jurisdiction a financing statement that includes in its collateral description any of the foregoing, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Permitted Property Encumbrances and Permitted Equity Encumbrances; and

(c) Liens on the Equity Interests of Apple Nine Seattle pledged by Apple Nine Hospitality in favor of Qwest Corporation, or its assignee or designee, to secure obligations arising under the Seattle Acquisition Seller Note and/or the Seattle Acquisition Note Guaranty.

7.02 Investments

. Make or allow any Investment unless (a) no Event of Default exists at the time of, or after giving effect to, the making of such Investment and (b) if such Investment is made after the Covenant Waiver Period Termination Date, immediately after giving effect to the making of such Investment, the Loan Parties and their respective Subsidiaries shall be in compliance, on a Pro Forma Basis, with the provisions of Section 7.11; provided that during the Covenant Waiver Period, such Investments shall consist only of:

(i) acquisitions of real properties pursuant to purchase and sale agreements entered into prior to the Second Amendment Effective Date, provided that the aggregate consideration for all such acquisitions (including consideration in the form of Seller Notes) may not exceed $120,000,000;

(ii) acquisitions of Unencumbered Eligible Properties; provided that (x) after giving effect to such acquisition, the aggregate consideration for all acquisitions made in reliance on this clause (ii) does not exceed the amount of Unencumbered Reinvestment

Proceeds at such time and (y) if any portion of the consideration for such acquisition shall be paid with proceeds of a Loan, the Committed Loan Notice for the applicable Borrowing shall be accompanied by an Officer's Certificate certifying (and containing calculations in reasonable detail satisfactory to the Administrative Agent) that after giving effect to such acquisition, the aggregate consideration for all acquisitions made in reliance on this clause (ii) does not exceed the aggregate amount of Unencumbered Reinvestment Proceeds at such time;

(iii) acquisitions of Unencumbered Eligible Properties; provided that (x) the only consideration therefor are Equity Interests in the Borrower and (y) the aggregate undepreciated book value of all Unencumbered Eligible Properties acquired in reliance on this clause (iii) shall not exceed $150,000,000;

(iv) acquisitions of Unencumbered Eligible Properties; provided that (x) at the time of, and after giving effect to, the making of any Investment made in reliance on this clause (iv), the Total Revolving Credit Outstandings are not in excess of $275,000,000, (y) after giving effect to such acquisition, the aggregate consideration for all acquisitions made in reliance on this clause (iv) does not exceed the amount of Additional Investment Proceeds at such time and (z) if any portion of the consideration for such acquisition shall be paid with proceeds of a Loan, the Committed Loan Notice for the applicable Borrowing shall be accompanied by an Officer's Certificate certifying (and containing calculations in reasonable detail satisfactory to the Administrative Agent) that after giving effect to such acquisition, the aggregate consideration for all acquisitions made in reliance on this clause (iv) does not exceed the aggregate amount of Additional Investment Proceeds at such time;

(v) the Seattle Acquisition; provided that (x) the portion of the purchase price compensation therefor paid in cash and Cash Equivalents shall not exceed $24,000,000 on the date the Seattle Acquisition is consummated and (y) the only other purchase price compensation payable therefor on the date the Seattle Acquisition is consummated shall be made by Apple Nine Seattle's delivery of the Seattle Acquisition Seller Note to Qwest Corporation; and

(vi) the Seattle Acquisition Note Guaranty.

7.03 Indebtedness

. Create, incur, assume or suffer to exist any Indebtedness, except:

(a) during the Covenant Waiver Period, so long as no Default exists at the time of, or after giving effect to, the creation, incurrence or assumption of any Indebtedness in reliance on any of clauses (vi) through (ix) below:

(i) Indebtedness under the Loan Documents (including Guarantees thereof);

(ii) Indebtedness under the Huntington Term Loan Agreement, the PNC Term Loan Agreement, the Regions Term Loan Agreement and the Prudential Note Agreement (in each case as defined in the Intercreditor Agreement) and Permitted Refinancing Indebtedness in respect of any of the foregoing (including Guarantees thereof);

(iii) Consolidated Secured Recourse Indebtedness existing on the Second Amendment Effective Date (including existing Guarantees thereof) and Permitted Refinancing Indebtedness in respect thereof;

(iv) Non-Recourse Indebtedness existing on the Second Amendment Effective Date and Permitted Refinancing Indebtedness in respect thereof (in each case, including Guarantees thereof to the extent recourse thereunder is limited to Customary Non-Recourse Carveouts);

(v) unsecured obligations (contingent or otherwise) of a Loan Party or any Subsidiary existing or arising under any Swap Contract (including unsecured Guarantees thereof), provided that (x) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a "market view;" and (y) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(vi) COVID-19 Relief Funds that constitute Unsecured Indebtedness (including unsecured Guarantees thereof);

(vii) Non-Recourse Indebtedness of the Borrower and its Subsidiaries created, incurred or assumed after the Second Amendment Effective Date (including Guarantees thereof to the extent recourse thereunder is limited to Customary Non-Recourse Carveouts); provided, that (x) the aggregate amount of all such Non-Recourse Indebtedness at any one time outstanding shall not exceed $150,000,000 *less* the aggregate principal balance of Seller Notes that either constitute Recourse Indebtedness or are supported by a Guarantee that constitutes Recourse Indebtedness and (y) no such Non-Recourse Indebtedness shall amortize or mature prior to the sixth anniversary of the Second Amendment Effective Date (or, in the event that the Indebtedness arising under any Seller Note constitutes Non-Recourse Indebtedness, such Non-Recourse Indebtedness shall mature within 364 days following its issuance), except that Non-Recourse Indebtedness secured by real property may provide for customary mortgage-style amortization based on a term of not less than 25 years;

(viii) Recourse Indebtedness arising under the Seattle Acquisition Seller Note and the Seattle Acquisition Note Guaranty;

(ix) in the event that the Indebtedness arising under a Seller Note (other than the Seattle Acquisition Seller Note) or any Guarantee thereof (other than the Seattle Acquisition Note Guaranty) constitutes Recourse Indebtedness, Recourse Indebtedness in respect of such Seller Note; provided, that the aggregate amount of all Recourse Indebtedness at any one time outstanding in reliance on this clause (ix) shall not exceed $150,000,000 *less* the aggregate amount of Non-Recourse Indebtedness incurred by the Borrower and its Subsidiaries in reliance on clause (vii) above; and

(x) other Recourse Indebtedness, including any Indebtedness designated by the Borrower pursuant to the terms of the Intercreditor Agreement as "Additional Pari Passu Lien Obligations" (such designated Indebtedness, the "Additional Pari Passu Lien Obligations"), (including unsecured Guarantees thereof); provided that (A) the maturity date for any such Indebtedness is not earlier than June 5, 2026, (B) no such Indebtedness shall amortize prior to its maturity date and (C) the Net Cash Proceeds of such Indebtedness are applied in accordance with Section 2.10 of the Intercreditor Agreement and, if applicable, Section 2.05(d).

(b) on and after the Covenant Waiver Period Termination Date:

(i) Indebtedness under the Loan Documents (including Guarantees thereof);

(ii) Indebtedness outstanding on the Covenant Waiver Period Termination Date under the Huntington Term Loan Agreement, the PNC Term Loan Agreement, the Regions Term Loan Agreement, the Prudential Note Agreement and any Additional Pari Passu Agreement (in each case as defined in the Intercreditor Agreement) (including Guarantees thereof);

(iii) Consolidated Secured Recourse Indebtedness of the Borrower and its Subsidiaries (including Guarantees thereof); provided that immediately after giving effect to the incurrence of such Indebtedness, the Loan Parties shall be in compliance, on a Pro Forma Basis, with the provisions of Section 7.11(a), (b) and (g);

(iv) unsecured obligations (contingent or otherwise) of a Loan Party or any Subsidiary existing or arising under any Swap Contract (including unsecured Guarantees thereof), provided that (x) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a "market view;" and (y) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party; and

(v) any other Unsecured Indebtedness (including unsecured Guarantees thereof); provided that (A) taking into account the incurrence of such Indebtedness, the Loan Parties shall be in compliance, on a Pro Forma Basis, with the provisions of Sections 7.11(a), (e) and (f) and (B) no Default shall have occurred and be continuing or would result under any other provision of this Agreement from such incurrence; and

(vi) Non-Recourse Indebtedness of the Borrower and its Subsidiaries (including Guarantees thereof to the extent recourse thereunder is limited to Customary Non-Recourse Carveouts); provided that (A) taking into account the incurrence of such Indebtedness, the Loan Parties shall be in compliance, on a Pro Forma Basis, with the provisions of Sections 7.11(a) and (b) and (B) no Default shall have occurred and be continuing or would result under any other provision of this Agreement from such incurrence.

7.04 Fundamental Changes

. Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions and whether effected pursuant to a Division or otherwise) all or substantially all of its assets or all or substantially all of the stock of any of its Subsidiaries (in each case, whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) (i) any Person may merge into a Loan Party or a Subsidiary in a transaction in which such Loan Party or such Subsidiary is the surviving Person (provided that the Borrower must be the survivor of any merger involving the Borrower), subject to the requirements of Sections 6.12 and 6.20, (ii) any Loan Party or any Subsidiary may sell, lease, transfer or otherwise dispose of its assets to another Loan Party or another Subsidiary, subject to the requirements of Sections 6.12 and 6.20, (iii) any Subsidiary (other than a Loan Party) may liquidate or dissolve if such liquidation or dissolution is not materially disadvantageous to the Lenders and the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower, and (iv) if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing or would result, any Loan Party or any Subsidiary may sell, transfer or otherwise dispose of Equity Interests of a Subsidiary (other than a Loan Party); provided that if any of the foregoing is consummated pursuant to a Division, then the Borrower shall comply with the requirements of Sections 6.12 and 6.20 with respect to each Division Successor;

(b) in connection with any acquisition permitted under Section 7.02, any Subsidiary of the Borrower may merge into or consolidate with any other Person or permit any other Person to merge into or consolidate with it; provided that the Person surviving such merger shall be a Wholly Owned Subsidiary of the Borrower and shall comply with the requirements of Sections 6.12 and 6.20;

(c) any Subsidiary of the Borrower may Dispose of all or substantially all of its assets (upon voluntary liquidation, pursuant to a Division or otherwise) to the Borrower or to another Subsidiary of the Borrower; provided that if the transferor in such a transaction is a Loan Party, then the transferee must be a Loan Party; and provided, further, that if any Subsidiary consummates a Division, then the Borrower shall comply with the requirements of Sections 6.12 and 6.20 with respect to each Division Successor; and

(d) Dispositions permitted by Section 7.05(d) shall be permitted under this Section 7.04.

7.05 Dispositions

. Make any Disposition or, in the case of any Subsidiary of the Borrower, issue, sell or otherwise Dispose of any of such Subsidiary's Equity Interests to any Person, except:

(a) Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business;

(b) Dispositions of property by any Subsidiary of the Borrower to the Borrower or to another Subsidiary of the Borrower; provided that if the transferor is a Loan Party, the transferee thereof must be a Loan Party; and provided, further, that if any Subsidiary Guarantor consummates

a Division, then the Borrower shall comply with the requirements of Sections 6.12 and 6.20 with respect to each Division Successor;

(c) Dispositions permitted by Section 7.04(a), (b) or (c); and

(d) (i) the Disposition of any Real Estate and (ii) the sale or other Disposition of all, but not less than all, of the Equity Interests of any Subsidiary; provided that no such Disposition shall result in a Material Adverse Effect and at the time thereof and immediately after giving effect thereto, no Default shall have occurred and be continuing or would result therefrom; provided further that if (x) such Real Estate is an Unencumbered Eligible Property or (y) such Subsidiary owns any Unencumbered Eligible Property, then at least two Business Days prior to the date of such Disposition, the Administrative Agent shall have received an Officer's Certificate certifying that at the time of and immediately after giving effect to such Disposition (A) if such Disposition is consummated on or after the Covenant Waiver Period Termination Date, the Loan Parties shall be in compliance, on a Pro Forma Basis, with the provisions of Section 7.11(a), (e) and (f) and (y) and (B) the conditions set forth in the first proviso to this clause (d) shall have been satisfied.

7.06 Restricted Payments

. Declare or make, directly or indirectly, any Restricted Payment, except that the following shall be permitted:

(a) the Borrower and each Subsidiary thereof may declare and make dividend payments or other distributions payable solely in the common stock or other common Equity Interests of such Person;

(b) if (i) the Covenant Waiver Period Termination Date has occurred and (ii) the Consolidated Leverage Ratio as of the last day of the most recent fiscal quarter ended on or prior to such date is less than 6.50 to 1.00 as reflected on the Compliance Certificate for the relevant period delivered pursuant to Section 6.02(a), the Borrower may purchase, redeem or otherwise acquire Equity Interests issued by it;

(c) (i) during the Covenant Waiver Period, the Borrower may (A) declare and pay cash dividends to the holders of its common Equity Interests of not more than $0.01 per share in any fiscal quarter and (B) make cash Restricted Payments in an amount not to exceed the greater of (x) the amount necessary to enable the Borrower to avoid payment by the Consolidated Group of federal or state income or excise taxes and (y) the amount necessary to enable the Borrower to maintain its status as a real estate investment trust, and (ii) following the occurrence of the Covenant Waiver Period Termination Date, the Borrower may make cash Restricted Payments; provided, that, in the case of clause (ii), if an Event of Default shall have occurred and be continuing or would result therefrom, the Borrower shall only be permitted to make cash Restricted Payments in an amount not to exceed the greater of (x) the amount necessary to enable the Borrower to avoid payment by the Consolidated Group of federal or state income or excise taxes and (y) the amount necessary to enable the Borrower to maintain its status as a real estate investment trust; provided further, that, no cash Restricted Payments shall be permitted under this clause (c) following an acceleration of the Obligations pursuant to Section 8.02 or following the occurrence of any Event of Default under Section 8.01(a), 8.01(f) or 8.01(g);

(d) each Subsidiary of the Borrower may make cash Restricted Payments pro rata to the holders of its Equity Interests; and

(e) following the occurrence of the Covenant Waiver Period Termination Date, each Subsidiary of the Borrower may make purchases of Equity Interests in any Subsidiary or Unconsolidated Affiliate of the Borrower that is held by any other Person to the extent that such purchase constitutes an Investment that is permitted under Section 7.02.

For the avoidance of doubt, during the Covenant Waiver Period, no cash payments shall be permitted with respect to any Permitted Convertible Notes or Permitted Convertible Notes Swap Contract.

7.07 Change in Nature of Business

. Engage to any material extent in any business other than businesses of the type conducted by the Loan Parties and their Subsidiaries on the Closing Date and businesses reasonably related thereto.

7.08 Transactions with Affiliates

. Enter into any transaction of any kind with any Affiliate of the Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Borrower or a Subsidiary thereof as would be obtainable by the Borrower or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate; provided that the foregoing restriction shall not apply to (i) transactions between or among the Loan Parties, (ii) transactions between or among Wholly Owned Subsidiaries of the Borrower, (iii) Investments and Restricted Payments expressly permitted hereunder and (iv) the Operating Leases.

7.09 Burdensome Agreements

. Enter into any Contractual Obligation (other than this Agreement or any other Loan Document) that limits the ability (i) of any Subsidiary to make Restricted Payments to the Borrower or any other Loan Party or to otherwise transfer property to the Borrower or any other Loan Party, other than Permitted Pari Passu Encumbrances, (ii) of any Loan Party to Guarantee the Obligations or (iii) of the Borrower or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person, other than Permitted Pari Passu Encumbrances; provided, that clauses (i) and (iii) shall not prohibit (A) any customary limitation on Restricted Payments or negative pledges or transfers of property incurred or provided in favor of (1) any holder of Indebtedness permitted under Section 7.03(a)(ii), Section 7.03(a)(x), Section 7.03(b)(ii) or Section 7.03(b)(v) (in each case solely to the extent such limitation is not in any material respect more restrictive than the corresponding limitations included in this Agreement), (2) any holder of Indebtedness permitted under Section 7.03(a)(vi) (in each case solely to the extent such limitation is either not in any material respect more restrictive than the corresponding limitations included in this Agreement or is included in an agreement governing such Indebtedness that exists prior to the date such Indebtedness is incurred) or (3) any holder of Indebtedness permitted under Section7.03(a)(iii), Section 7.03(a)(iv), Section 7.03(a)(vii), Section 7.03(a)(viii), Section 7.03(a)(ix), Section 7.03(a)(x), Section 7.03(b)(iii) and Section 7.03(b)(vi) (in each case (x) with respect to negative pledges and transfers of property, solely to the extent any such limitation relates to property financed by or the subject of such Indebtedness and (y) with respect to Restricted Payments, solely to the extent that such limitation relates solely to the direct owner of such property and such direct owner owns no other material assets), (B) negative pledges or limitation on transfers of property contained in any agreement in connection with a Disposition

permitted by Section 7.05 (provided that such limitation shall only be effective against the assets or property that are the subject of Disposition), (C) limitation on Restricted Payments by reason of customary provisions in joint venture agreements or other similar agreements applicable to Subsidiaries that are not Wholly Owned Subsidiaries, (D) any limitation on Restricted Payments, negative pledges or limitations on transfers of property by reason of customary provisions limiting the disposition or distribution of assets or property in asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements in the ordinary course of business, which limitation is applicable only to the assets that are the subject of such agreements, and (E) limitation on Restricted Payments by reason of restrictions on cash or other deposits or net worth imposed by customers, suppliers or landlords or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business; provided, further, that notwithstanding the foregoing, in no event shall any negative pledge be permitted with respect to any Unencumbered Eligible Property or any Equity Interests of any Direct Owner or Indirect Owner of any Unencumbered Eligible Property.

7.10 Use of Proceeds

. Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to (a) purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose or (b) finance or refinance any commercial paper issued by any Loan Party.

7.11 Financial Covenants

. At all times following the applicable Covenant Waiver Period Termination Date:

(a) Maximum Consolidated Leverage Ratio. Permit, as of the last day of each fiscal quarter of the Borrower, the Consolidated Leverage Ratio to exceed (i) for the period ending on the last day of the fiscal quarter immediately preceding the fiscal quarter during which the Covenant Waiver Period Termination Date occurs (i.e., 2022Q2 if no early election) and for the fiscal quarter during which the Covenant Waiver Period Termination Date occurs (i.e., 2022Q3 if no early election), 8.50 to 1.00, (ii) for the period ending on the last day of the fiscal quarter immediately following the fiscal quarter during which the Covenant Waiver Period Termination Date occurs (i.e., 2022Q4 if no early election) and for the period ending on the last day of the second fiscal quarter following the fiscal quarter during which the Covenant Waiver Period Termination Date occurs (i.e., 2023Q1 if no early election), 8.00 to 1.00, (iii) for the period ending on the last day of the third fiscal quarter following the fiscal quarter during which the Covenant Waiver Period Termination Date occurs (i.e., 2023Q2 if no early election), 7.50 to 1.00, and (iv) for each period thereafter, 6.50 to 1.00; provided that, notwithstanding the foregoing, the Consolidated Leverage Ratio may exceed 6.50 to 1.0, but not exceed 7.0 to 1.0, as of the last day of each fiscal quarter that occurs during a Surge Period.

(b) Maximum Secured Leverage Ratio. Permit Consolidated Secured Indebtedness to exceed 45% of Consolidated Total Assets as of the last day of each fiscal quarter of the Borrower.

(c) Minimum Tangible Net Worth. Permit Consolidated Tangible Net Worth at any time to be less than the sum of (i) $3,249,276,000 plus (ii) an amount equal to 75% of the Net Cash Proceeds received by the Borrower from issuances and sales of Equity Interests of the Borrower occurring after the last day of the fiscal quarter most recently ended prior to the Closing Date for

which Borrower's financial statements are publicly available (other than any such Net Cash Proceeds received in connection with any customary dividend reinvestment program).

(d) Minimum Fixed Charge Coverage Ratio. Permit the ratio of Adjusted Consolidated EBITDA to Consolidated Fixed Charges as of the last day of each fiscal quarter of the Borrower for the period of four full fiscal quarters then ended to be less than (i) for the period ending on the last day of the fiscal quarter immediately preceding the fiscal quarter during which the Covenant Waiver Period Termination Date occurs (i.e., 2022Q1 if no early election), 1.05 to 1.00, (ii) for the period ending on the last day of the fiscal quarter during which the Covenant Waiver Period Termination Date occurs (i.e., 2022Q2 if no early election), 1.25:1.00, and (iii) for each period thereafter, 1.50:1.00.

(e) Minimum Unsecured Interest Coverage Ratio. Permit the ratio of Unencumbered Adjusted NOI to Consolidated Implied Interest Expense as of the last day of each fiscal quarter of the Borrower for the period of four full fiscal quarters then ended to be less than (i) for the period ending on the last day of the fiscal quarter immediately preceding the fiscal quarter during which the Covenant Waiver Period Termination Date occurs (i.e., 2022Q1 if no early election), 1.25 to 1.00, (ii) for the period ending on the last day of the fiscal quarter during which the Covenant Waiver Period Termination Date occurs (i.e., 2022Q2 if no early election), 1.50:1.00, (iii) for the period ending on the last day of the fiscal quarter immediately following the fiscal quarter during which the Covenant Waiver Period Termination Date occurs (i.e., 2022Q3 if no early election), 1.75:1.00, and (iv) for each period thereafter, 2.00:1.00.

(f) Maximum Unsecured Leverage Ratio. Permit the ratio (expressed as a percentage) of Consolidated Unsecured Indebtedness to the Unencumbered Asset Value as of the last day of each fiscal quarter of the Borrower to exceed (i) for the period ending on the last day of the fiscal quarter immediately preceding the fiscal quarter during which the Covenant Waiver Period Termination Date occurs (i.e., 2022Q2 if no early election) and for the fiscal quarter during which the Covenant Waiver Period Termination Date occurs (i.e., 2022Q3 if no early election), 65%, and (ii) for each period thereafter, 60%; provided that, notwithstanding the foregoing, the ratio of Consolidated Unsecured Indebtedness to the Unencumbered Asset Value may exceed 60%, but not exceed 65%, as of the last day of each fiscal quarter that occurs during a Surge Period.

(g) Maximum Secured Recourse Indebtedness. Permit Consolidated Secured Recourse Indebtedness to exceed 10% of Consolidated Total Assets as of the last day of each fiscal quarter of the Borrower.

Notwithstanding anything to the contrary contained in this Agreement (including in this Section 7.11, in any of the defined terms used in this Section 7.11, in Section 1.03(d) or otherwise), in connection with any calculation relating to this Section 7.11, the calculated amounts shall be annualized to the extent the period from the first day of the fiscal quarter immediately preceding the fiscal quarter during which the Covenant Waiver Period Termination Date occurs through the most recently ended fiscal quarter is not at least four (4) fiscal quarters, in the case of any applicable period that is based on four (4) fiscal quarters.

7.12 Accounting Changes

. Make any change in (a) accounting policies or reporting practices, except as required or permitted by GAAP, or (b) fiscal year.

7.13 Amendments of Organization Documents

. At any time cause or permit any of its, or any of its Subsidiary's, Organization Documents to be modified, amended, amended and restated or supplemented in any respect whatsoever, without, in each case, the express prior written consent or approval of the Administrative Agent, if such changes would adversely affect in any material respect the rights of the Administrative Agent, the L/C Issuers or the Lenders hereunder or under any of the other Loan Documents; provided that if such prior consent or approval is not required, such Loan Party shall nonetheless notify the Administrative Agent in writing promptly after any such modification, amendment, amendment and restatement, or supplement to the charter documents of such Loan Party.

7.14 Sanctions

.

(a) Directly or indirectly, engage in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of prohibited offenses designated in any applicable law, regulation or other binding measure by the Organisation for Economic Cooperation and Development's Financial Action Task Force on Money Laundering or violate these laws or any other applicable anti-money laundering law or engage in these actions.

(b) Directly or indirectly, use the proceeds of any Credit Extension, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, to fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Arranger, Bookrunner, Administrative Agent, L/C Issuer, Swing Line Lender, or otherwise) of Sanctions.

7.15 Compliance with Environmental Laws

. Do, or permit any other Person to do, any of the following: (a) use any of the Real Estate or any portion thereof as a facility for the handling, processing, storage or disposal of Hazardous Materials except for quantities of Hazardous Materials used in the ordinary course of business and in material compliance with all applicable Environmental Laws, (b) cause or permit to be located on any of the Real Estate any underground tank or other underground storage receptacle for Hazardous Materials except in full compliance with Environmental Laws, (c) generate any Hazardous Materials on any of the Real Estate except in full compliance with Environmental Laws, (d) conduct any activity at any Real Estate or use any Real Estate in any manner that could reasonably be contemplated to cause a Release of Hazardous Materials on, upon or into the Real Estate or any surrounding properties or any threatened Release of Hazardous Materials which might give rise to liability under CERCLA or any other Environmental Law, or (e) directly or indirectly transport or arrange for the transport of any Hazardous Materials (except in compliance with all Environmental Laws), except, with respect to any Real Estate other than a Unencumbered Eligible Property where any such use, generation, conduct or other activity has not had and could not reasonably be expected to have a Material Adverse Effect.

7.16 Management Status

. Be party to any agreement under which any material management or advisory services are provided to any Loan Party or any of their respective

Subsidiaries or pursuant to which any Loan Party or any of their respective Subsidiaries pays any material management, advisory or similar fees, other than the Management Agreements.

7.17 Anti-Corruption Laws

. Directly or indirectly use the proceeds of any Credit Extension for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, or other similar anti-corruption legislation in other jurisdictions.

7.18 Capital Expenditures

(a) . Make or become legally obligated to make any discretionary Capital Expenditure, except for discretionary Capital Expenditures in the ordinary course of business not exceeding, in the aggregate for the Borrower and its Subsidiaries during the Covenant Waiver Period $50,000,000. For the avoidance of doubt, emergency, life and safety repairs will not be considered to be discretionary.

7.19 Liquidity

(a) . Permit the average Liquidity for any calendar month during the Covenant Waiver Period to be less than (a) $100,000,000 prior to the Third Amendment Effective Date or (b) $125,000,000 thereafter.

7.20 Voluntary Prepayments, Etc. of Other Indebtedness

. During the Covenant Waiver Period, voluntarily prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any Indebtedness (each, an "Other Debt Prepayment") other than (a) prepayments of the Credit Extensions in accordance with the terms of this Agreement; (b) refinancings and refundings of Indebtedness constituting Permitted Refinancing Indebtedness to the extent permitted under Section 7.03(a), (c) prepayments with Net Cash Proceeds in accordance with Section 2.10 of the Intercreditor Agreement, (d) voluntary prepayments of the principal amount of any Permitted Convertible Notes pursuant to a conversion thereof into Equity Interests of the Borrower, (e) prepayments of up to $35,000,000 of Non-Recourse Indebtedness maturing in 2021 occurring within any permitted prepayment period, without penalty, (f) prepayments of the Seattle Acquisition Seller Note to the extent made utilizing cash proceeds of an Equity Issuance received by the Borrower on or after the Fourth Amendment Effective Date and (g) the defeasance of Non-Recourse Indebtedness in connection with a Disposition permitted by Section 7.05(d), unless, in each case, concurrently with such Other Debt Prepayment, the Borrower makes a prepayment of each of the Term A-1 Facility and the Term A-2 Facility, in each case in an amount equal to the applicable Corresponding Percentage of the Term A-1 Facility and the Term A-2 Facility, respectively. For the avoidance of doubt, to the extent a payment is required to be made in respect of any Swap Contract as a result of a prepayment permitted under this Section 7.20, the payment in respect of such Swap Contract shall not be considered to be a voluntary prepayment.

ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default

. Any of the following shall constitute an Event of Default:

(a) Non-Payment. Any Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation (whether upon demand at maturity, by reason of acceleration or otherwise) or deposit any funds as Cash Collateral in respect of L/C Obligations, or (ii) within three Business Days after the same becomes due, any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) within three Business Days

after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 6.01, 6.02, 6.03, 6.05, 6.07, 6.10, 6.11, 6.15, 6.17, 6.18 or 6.20 or Article VII or Article X or in the Pledge Agreement; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in Section 8.01(a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (or in the case of the representation contained in Section 5.19, in any respect) when made or deemed made or any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be incorrect or misleading in any respect after giving effect to such qualification when made or deemed made; or

(e) Cross-Default. (i) Any Loan Party or any Subsidiary thereof (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Recourse Indebtedness or Guarantee of Recourse Indebtedness (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement), individually or in the aggregate with all other Indebtedness as to which such a failure exists, of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any Recourse Indebtedness or Guarantee of Recourse Indebtedness having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement), individually or in the aggregate with all other Indebtedness as to which such a failure exists, of more than the Threshold Amount or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; (ii) any Loan Party or any Subsidiary thereof (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Non-Recourse Indebtedness or Guarantee of Non-Recourse Indebtedness having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement), individually or in the aggregate with all other Indebtedness as to which such a failure exists, of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any Non-Recourse Indebtedness

or Guarantee of Non-Recourse Indebtedness having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement), individually or in the aggregate with all other Indebtedness as to which such a failure exists, of more than the Threshold Amount or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (iii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which any Loan Party or any Subsidiary thereof is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which the Borrower or any Subsidiary is an Affected Party (as so defined) and, in either event, the aggregate Swap Termination Values owed by the Borrower and all such Subsidiaries as a result thereof is greater than the Threshold Amount; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any one or more Subsidiaries thereof to which more than 5% of Consolidated Total Assets in the aggregate is attributable institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Any Loan Party or any one or more Subsidiaries thereof to which more than 5% of Consolidated Total Assets in the aggregate is attributable becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 30 days after its issue or levy; or

(h) Judgments. There is entered against any Loan Party or any Subsidiary (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding $35,000,000 (to the extent not covered by independent third-party insurance as to which the insurer is rated at least "A" by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 10 consecutive

days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of $25,000,000, or (ii) any Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of $25,000,000; or

(j) Invalidity of Loan Documents. Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document; or

(k) Change of Control. There occurs any Change of Control; or

(l) REIT Status. The Borrower shall, for any reason, fail to maintain its REIT Status, after taking into account any cure provisions set forth in the Code that are complied with by the Borrower; or

(m) Pledge Agreement. After delivery of the Pledge Agreement pursuant to Section 6.20, the Administrative Agent shall for any reason (other than due to the Administrative Agent's actions or inactions) cease to have a valid and perfected Lien on the Collateral purported to be covered thereby.

8.02 Remedies Upon Event of Default

. If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuers to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Loan Parties;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto (but in no event less than the Outstanding Amount of all L/C Obligations)); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuers all rights and remedies available to it, the Lenders and the L/C Issuers under the Loan Documents and applicable Laws;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Loan Party under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

8.03 Application of Funds

. After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations (other than amounts held as Cash Collateral with respect to Fronting Exposure of the Swing Line Lender, which shall be applied to Obligations constituting accrued and unpaid interest on, and unpaid principal of, the Swing Line Loans) shall, subject to the provisions of Sections 2.16 and 2.17, be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuers (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuers (including fees and time charges for attorneys who may be employees of any Lender or any L/C Issuer) and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees, Unused Fees, Facility Fees and interest on the Loans, L/C Borrowings and other Obligations, ratably among the Lenders and the L/C Issuers in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings and Obligations then owing under Lender Swap Contracts, ratably among the Lenders, the L/C Issuers and the Swap Banks in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Administrative Agent for the account of the L/C Issuers, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Borrower pursuant to Sections 2.03 and 2.16; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Sections 2.03(c) and 2.16, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired or cancelled, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above. Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or its assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this Section 8.03.

Notwithstanding the foregoing, Obligations arising under Lender Swap Contracts shall be excluded from the application described above if the Administrative Agent has not received a Designation Notice, together with such supporting documentation as the Administrative Agent may request, from the applicable Swap Bank (except if such Swap Bank is the Administrative Agent or an Affiliate of the Administrative Agent), as the case may be. Each Swap Bank not a party to this 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 IX for itself and its Affiliates as if a "Lender" party hereto.

ARTICLE IX. ADMINISTRATIVE AGENT

9.01 Appointment and Authority

. Each of the Lenders and each of the L/C Issuers hereby irrevocably appoints Bank of America 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 are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuers, and 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.

9.02 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 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.

9.03 Exculpatory Provisions

. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not 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; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (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 11.01 and 8.02) 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, a Lender or an L/C Issuer.

The Administrative Agent shall not be responsible for or have any duty 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 IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.04 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 a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or such L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or such L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for any Loan Party), 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.

9.05 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 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.

9.06 Resignation of Administrative Agent

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(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower so long as no Event of Default exists, 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 and the L/C Issuers, 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 so long as no Event of Default exists, 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 (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuers under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) 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 and each L/C Issuer 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 3.01(j) 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). 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 and Section 11.04 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 (x) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Lenders and (y) in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

(d) Any resignation by, or removal of, Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as an L/C Issuer and as the Swing Line Lender. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c). If Bank of America resigns as the Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for

hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment by the Borrower of a successor to Bank of America as an L/C Issuer or the Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or the Swing Line Lender, as applicable, (b) the retiring L/C Issuer and the Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit issued by Bank of America, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

9.07 Non-Reliance on Administrative Agent and Other Lenders

. Each Lender and L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or 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 and decision to enter into this Agreement. Each Lender and L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or 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 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.

9.08 No Other Duties, Etc.

Anything herein to the contrary notwithstanding, none of the Arrangers, Bookrunners, Co-Syndication Agents, Documentation Agents or Managing Agents 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, a Lender or an L/C Issuer hereunder.

9.09 Administrative Agent May File Proofs of Claim; Credit Bidding

. 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 Loan or L/C Obligation 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 any Loan Party) 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 Loans, L/C Obligations 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, the L/C Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers and the Administrative Agent under Sections 2.03(i) and (j), 2.09 and 11.04) 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 and L/C Issuer 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 and the L/C Issuers, 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 2.09 and 11.04.

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 or any L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or any L/C Issuer in any such proceeding.

The Creditor Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid at par all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Secured Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any similar Laws in any other jurisdictions to which a member of the Consolidated Group is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable Laws. In connection with any such credit bid and purchase, the Obligations owed to the Creditor Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 11.01 of this Agreement), (iii) the Administrative Agent shall be authorized to assign the relevant Obligations to any such acquisition vehicle pro rata by the Lenders, as a result of which each of the Lenders shall be deemed to have received a pro rata portion of any Equity Interests and/or debt instruments issued by such an acquisition vehicle on account of the assignment of the Obligations to be credit bid, all without the need for any Secured Party or acquisition vehicle to take any further action, and (iv) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral

for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Creditor Party or any acquisition vehicle to take any further action.

9.10 Collateral and Guaranty Matters

. Without limiting the provisions of Section 9.09, the Lenders (including in their capacities as potential Swap Banks) and the L/C Issuers irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to (i) promptly effect the Collateral Release (x) upon satisfaction of the Collateral Release Conditions or (y) upon termination of the Revolving Credit Facility and the Term Facilities and the repayment in full of all Obligations arising in respect thereof (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the L/C Issuer shall have been made), and (ii) release any Lien on any Collateral that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder, or (iii) if approved, authorized or ratified in writing in accordance with Section 11.01; and

(b) to release any Guarantor from its obligations under the Guaranty if required pursuant to Section 10.10 hereof. Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.10.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release its interest in the Collateral pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Administrative Agent will, at the Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the Collateral Release of the from the assignment and security interest granted under the Collateral Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

9.11 Lender Swap Contracts

. Except as otherwise expressly set forth herein, no Swap Bank that obtains the benefit of the provisions of Section 8.03, the Guaranty or any Collateral or by virtue of the provisions of this Agreement or any other Loan Document 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 (or to notice of or to consent to any amendment, waiver or modification of the

provisions hereof or any other Loan Document) or otherwise in respect of the Collateral (including the release or impairment of any Collateral) 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 IX 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 Lender Swap Contracts except to the extent expressly provided herein and unless the Administrative Agent has received a Designation Notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Swap Bank (except if such Swap Bank is the Administrative Agent or an Affiliate of the Administrative Agent), as the case may be. 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 Lender Swap Contracts in the case of a termination of this Agreement and the Facilities.

9.12 Certain ERISA Matters

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(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, the Bookrunners and the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that 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 Loans, the Letters of Credit, the Commitments 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 Loans, the Letters of Credit, the Commitments 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 Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments 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 Loans, the Letters of Credit, the Commitments 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, the Bookrunners and the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Administrative Agent, the Bookrunners or the Arrangers or any of their respective Affiliates is 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 Loans, the Letters of Credit, the Commitments 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).

9.13 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 or L/C Issuer (each a "Credit Party"), 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 Credit Party receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Credit Party in immediately available 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 Credit Party 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 Credit Party promptly upon determining that any payment made to such Credit Party comprised, in whole or in part, a Rescindable Amount.

ARTICLE X. CONTINUING GUARANTY

10.01 Guaranty

. Each Guarantor, jointly and severally with the other Guarantors, hereby absolutely, irrevocably and unconditionally guarantees, as a guaranty of payment and performance and not merely as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all of the Obligations, whether for principal, interest, premiums, fees, indemnities, damages, costs, expenses or otherwise, and whether arising hereunder or under any other Loan Document or any Lender Swap Contract (including all renewals, extensions, amendments,

refinancings and other modifications thereof and all costs, reasonable and documented attorneys' fees and expenses incurred in connection with the collection or enforcement thereof) (for each Guarantor, subject to the proviso in this sentence, its "Guaranteed Obligations"); provided, that (i) the Guaranteed Obligations of a Guarantor shall exclude any Excluded Swap Obligations with respect to such Guarantor and (ii) the liability of each Guarantor individually with respect to this Guaranty shall be limited to an aggregate amount equal to the largest amount (taking into account any amounts payable to such Guarantor under Section 10.11) that would not render its obligations hereunder subject to avoidance under Section 548 of the Bankruptcy Code of the United States or any comparable provisions of any applicable state law. Notwithstanding anything to the contrary contained herein or elsewhere, no Guarantor shall by virtue of the joint and several nature of its obligations under this Guaranty and the other Loan Documents be liable for any Guaranteed Obligations that constitute Excluded Swap Obligations with respect to such Guarantor. The Administrative Agent's books and records showing the amount of the Obligations shall be admissible in evidence in any action or proceeding, and shall be binding upon the Guarantors, and conclusive for the purpose of establishing the amount of the Guaranteed Obligations. This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Guaranteed Obligations or any instrument or agreement evidencing any Guaranteed Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Guaranteed Obligations which might otherwise constitute a defense to the obligations of any Guarantor under this Guaranty, 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 foregoing.

10.02 Rights of Lenders

. Each Guarantor consents and agrees that the Creditor Parties may, at any time and from time to time, without notice or demand, without the consent of such Guarantor, and without affecting the enforceability or continuing effectiveness hereof: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Guaranteed Obligations or any part thereof; (b) take, hold, exchange, enforce, waive, release, sell, or otherwise dispose of, or impair or fail to perfect any Lien on, any security for the payment of this Guaranty or any Guaranteed Obligations; (c) apply such security and direct the order or manner of sale thereof as the Administrative Agent, the L/C Issuers and the Lenders in their sole discretion may determine; and (d) release or substitute any other Guarantor or one or more of any endorsers or other guarantors of any of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of the Guarantors under this Guaranty or which, but for this provision, might operate as a discharge of one or more of the Guarantors.

10.03 Certain Waivers

. Each Guarantor waives (a) any defense arising by reason of any disability or other defense of the Borrower, any other Loan Party or any other guarantor of the Guaranteed Obligations or any part thereof, or the cessation from any cause whatsoever (including any act or omission of any Creditor Party) of the liability of the Borrower (other than the defense of prior payment in full of the Guaranteed Obligations); (b) any defense based on any claim that such Guarantor's obligations exceed or are more burdensome than those of the Borrower; (c) the benefit of any statute of limitations affecting such Guarantor's liability hereunder; (d) any requirement to proceed against the Borrower or any other Loan Party, proceed against or exhaust any security for the Guaranteed Obligations, or pursue any other remedy in the power of any

Creditor Party whatsoever; (e) any benefit of and any right to participate in any security now or hereafter held by any Creditor Party; and (f) to the fullest extent permitted by law, any and all other defenses (other than the defense of prior payment in full of the Guaranteed Obligations) or benefits that may be derived from or afforded by applicable law limiting the liability of or exonerating guarantors or sureties. Each Guarantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Guaranteed Obligations, and all notices of acceptance of this Guaranty or of the existence, creation or incurrence of new or additional Guaranteed Obligations.

10.04 Obligations Independent

. The obligations of each Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Guaranteed Obligations and the obligations of any other guarantor of the Guaranteed Obligations or any part thereof, and a separate action may be brought against any Guarantor to enforce this Guaranty whether or not the Borrower or any other Person is joined as a party. For the avoidance of doubt, all obligations of each Guarantor under this Guaranty are joint and several obligations of all the Guarantors.

10.05 Subrogation

. No Guarantor shall exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Guaranty until all of the Guaranteed Obligations and any amounts payable under this Guaranty have been indefeasibly paid and performed in full and the Commitments and the Facilities are terminated, and all Letters of Credit have been cancelled, have expired or terminated or have been collateralized to the satisfaction of the Administrative Agent and the L/C Issuers. If any amounts are paid to any Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust by such Guarantor for the benefit of the Creditor Parties and shall forthwith be paid to the Administrative Agent for the benefit of the Creditor Parties to reduce the amount of the Guaranteed Obligations, whether matured or unmatured.

10.06 Termination

. This Guaranty is a continuing, absolute, unconditional and irrevocable guaranty of all Guaranteed Obligations now or hereafter existing and shall remain in full force and effect until all Guaranteed Obligations and any other amounts payable under this Guaranty are indefeasibly paid in full in cash and the Commitments and the Facilities with respect to the Guaranteed Obligations are terminated. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of the Borrower or any Guarantor is made, or any of the Creditor Parties exercises its right of setoff, in respect of the Guaranteed Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any of the Creditor Parties in their discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Creditor Parties are in possession of or have released this Guaranty and regardless of any prior revocation, rescission, termination or reduction. The obligations of the Guarantors under this paragraph shall survive termination of this Guaranty.

10.07 Subordination

. Each Guarantor hereby subordinates the payment of all obligations and indebtedness of any Loan Party owing to such Guarantor, whether now existing or hereafter arising, including but not limited to any obligation of the Borrower to such Guarantor as

subrogee of the Creditor Parties or resulting from such Guarantor's performance under this Guaranty, to the indefeasible payment in full in cash of all Guaranteed Obligations; provided that such Guarantor may receive regularly scheduled payments of principal and interest on such obligations and indebtedness from the Borrower, except upon the occurrence and continuance of an Event of Default. If any amounts are paid to any Guarantor in violation of the foregoing subordination, then such amounts shall be held in trust for the benefit of the Creditor Parties and shall forthwith be paid to the Creditor Parties to reduce the amount of the Guaranteed Obligations, whether matured or unmatured. Upon the occurrence and continuance of an Event of Default, if the Creditor Parties so request, any such obligation or indebtedness of the Borrower to any Guarantor shall be enforced and performance received by such Guarantor as trustee for the Creditor Parties and the proceeds thereof shall be paid over to the Creditor Parties on account of the Guaranteed Obligations, but without reducing or affecting in any manner the liability of any Guarantor under this Guaranty.

10.08 Stay of Acceleration

. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed, in connection with any case commenced by or against the Borrower or any other Loan Party under any Debtor Relief Laws, or otherwise, all such amounts shall nonetheless be payable by the Guarantors immediately upon demand by the Creditor Parties.

10.09 Condition of the Loan Parties

. Each Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the Loan Parties and any other guarantor of the Guaranteed Obligations such information concerning the financial condition, business and operations of the Loan Parties and any such other guarantor as such Guarantor requires, and that none of the Creditor Parties has any duty, and such Guarantor is not relying on the Creditor Parties at any time, to disclose to such Guarantor any information relating to the business, operations or financial condition of any Loan Party or any other guarantor of the Guaranteed Obligations (such Guarantor waiving any duty on the part of the Creditor Parties to disclose such information and any defense relating to the failure to provide the same).

10.10 Releases of Guarantors

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(a) Releases following receipt of Investment Grade Credit Rating. If at any time the Borrower obtains an Investment Grade Credit Rating, the Administrative Agent shall (at the sole cost of the Borrower and pursuant to documentation reasonably satisfactory to the Administrative Agent) promptly release all of the Guarantors (other than any Guarantor that is a borrower or guarantor of, or otherwise obligated in respect of, any Recourse Indebtedness) from their obligations under this Agreement and the other Loan Documents (the "Investment Grade Permitted Release"), upon the completion of the following conditions precedent:

(i) The Borrower shall have delivered to the Administrative Agent, on or prior to the date that is ten (10) Business Days (or such shorter period of time as agreed to by the Administrative Agent) before the date on which the Investment Grade Permitted Release is to be effected, an Officer's Certificate (x) certifying that the Borrower has obtained an Investment Grade Credit Rating and (y) notifying the Administrative Agent and the Lenders that it is requesting the Investment Grade Permitted Release; and

(ii) The Borrower shall have submitted to the Administrative Agent and the Lenders, within one (1) Business Day prior to the date on which the Investment Grade Permitted Release is to be effected, an Officer's Certificate certifying to the Administrative Agent and the Lenders that, immediately before and immediately after giving effect to the Investment Grade Permitted Release, (1) no Default has occurred and is continuing or would result therefrom, (2) no Guarantor to be released is a borrower or guarantor of, or otherwise obligated in respect of, any Recourse Indebtedness, including, without limitation and for the avoidance of doubt, Recourse Indebtedness incurred under or in connection with notes or bonds issued pursuant to a Rule 144A Transaction, and (3) the representations and warranties of the Borrower and each other Loan Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, are true and correct in all material respects (or, in the case of Section 5.19, all respects) on and as of the date of such release and immediately after giving effect to such release, except (A) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, (B) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such date (including such earlier date set forth in the foregoing clause (A)) after giving effect to such qualification and (C) for purposes of this Section 10.10, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01.

(b) Release upon Certain Events. At the request of the Borrower, any Guarantor may be released from its obligations under this Guaranty and the other Loan Documents subject to the following conditions: (i) the Borrower shall have delivered to the Administrative Agent, at least two Business Days prior to the date of the proposed release (or such shorter period of time as agreed to by the Administrative Agent in writing), a written request for such release (a "Guarantor Release Notice"), (ii) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects (or, in the case of Section 5.19, all respects) on and as of the effective date of such release and, both before and after giving effect to such release, except (x) to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, (y) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such date (including such earlier date set forth in the foregoing clause (x)) after giving effect to such qualification and (z) for purposes of this Section 10.10, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01, (iii) immediately after giving effect to such release, if such release occurs (1) during the Covenant Waiver Period, the Loan Parties shall be in compliance with Section 7.19 and (2) on or after the Covenant Waiver Period Termination Date, the Loan Parties shall be in compliance, on a Pro Forma Basis, with the provisions of Section 7.11(e) and (f), (iv) no Default shall have occurred and be continuing (unless such Default relates solely to an Unencumbered Eligible Property owned or ground leased by such Guarantor, which will no longer be an Unencumbered Eligible Property upon such Guarantor's release) or would result under any other provision of this Agreement after giving effect to such release, and (v) the Borrower shall have delivered to the Administrative Agent

an Officer's Certificate certifying that the conditions in clauses (ii) through (iv) above have been satisfied. The Administrative Agent will (at the sole cost of the Borrower) following receipt of such Guarantor Release Notice and Officer's Certificate, and each of the Lenders and L/C Issuers irrevocably authorizes the Administrative Agent to, execute and deliver such documents as the Borrower or such Guarantor may reasonably request to evidence the release of such Guarantor from its obligations hereunder and under the other Loan Documents, which documents shall be reasonably satisfactory to the Administrative Agent. For the avoidance of doubt, each Unencumbered Eligible Property that is owned or ground leased directly or indirectly by a Guarantor that has been released from its obligations hereunder and under the other Loan Documents pursuant to Section 10.10(b) will immediately upon such release cease to be an Unencumbered Eligible Property.

(c) The Administrative Agent shall promptly notify the Lenders of any such release hereunder, and this Agreement and each other Loan Document shall be deemed amended to delete the name of any Guarantor released pursuant to Section 10.10(b).

(d) Notwithstanding anything in this Agreement to the contrary, including this Section 10.10, and without limitation of any other provision of this Section 10.10, during the Covenant Waiver Period no Guarantor shall be released from its obligations under the Guaranty unless (i) such Person ceases to be a Subsidiary as a result of, or is required to be released in order to consummate, a transaction permitted to occur under the Loan Documents during the Covenant Waiver Period, (ii) immediately before such release no Default shall have occurred and be continuing and upon effectiveness of such release no Default shall exist and (iii) the Borrower has complied with each of the requirements set forth in Section 10.10(b). For the avoidance of doubt, each Unencumbered Eligible Property that is owned or ground leased directly or indirectly by a Guarantor that has been released from its obligations hereunder and under the other Loan Documents during the Covenant Waiver Period will immediately upon such release cease to be an Unencumbered Eligible Property.

10.11 Contribution

. At any time a payment in respect of the Guaranteed Obligations is made under this Guaranty, the right of contribution of each Guarantor against each other Guarantor shall be determined as provided in the immediately following sentence, with the right of contribution of each Guarantor to be revised and restated as of each date on which a payment (a "Relevant Payment") is made on the Guaranteed Obligations under this Guaranty. At any time that a Relevant Payment is made by a Guarantor that results in the aggregate payments made by such Guarantor in respect of the Guaranteed Obligations to and including the date of the Relevant Payment exceeding such Guarantor's Contribution Percentage (as defined below) of the aggregate payments made by all Guarantors in respect of the Guaranteed Obligations to and including the date of the Relevant Payment (such excess, the "Aggregate Excess Amount"), each such Guarantor shall have a right of contribution against each other Guarantor who either has not made any payments or has made payments in respect of the Guaranteed Obligations to and including the date of the Relevant Payment in an aggregate amount less than such other Guarantor's Contribution Percentage of the aggregate payments made to and including the date of the Relevant Payment by all Guarantors in respect of the Guaranteed Obligations (the aggregate amount of such deficit, the "Aggregate Deficit Amount") in an amount equal to (x) a fraction the numerator of which is the Aggregate Excess Amount of such Guarantor and the denominator of which is the Aggregate Excess Amount of all Guarantors multiplied by (y) the Aggregate Deficit Amount of such other

Guarantor. A Guarantor's right of contribution pursuant to the preceding sentences shall arise at the time of each computation, subject to adjustment at the time of each computation; provided, that no Guarantor may take any action to enforce such right until after all Guaranteed Obligations and any other amounts payable under this Guaranty are indefeasibly paid in full in cash and the Commitments and the Facilities with respect to the Guaranteed Obligations are terminated and all Letters of Credit have been cancelled, have expired or terminated or have been collateralized to the satisfaction of the Administrative Agent and the L/C Issuers, it being expressly recognized and agreed by all parties hereto that any Guarantor's right of contribution arising pursuant to this Section 10.11 against any other Guarantor shall be expressly junior and subordinate to such other Guarantor's obligations and liabilities in respect of the Guaranteed Obligations and any other obligations owing under this Guaranty. As used in this Section 10.11, (i) each Guarantor's "Contribution Percentage" shall mean the percentage obtained by dividing (x) the Adjusted Net Worth (as defined below) of such Guarantor by (y) the aggregate Adjusted Net Worth of all Guarantors; (ii) the "Adjusted Net Worth" of each Guarantor shall mean the greater of (x) the Net Worth (as defined below) of such Guarantor and (y) zero; and (iii) the "Net Worth" of each Guarantor shall mean the amount by which the fair saleable value of such Guarantor's assets on the date of any Relevant Payment exceeds its existing debts and other liabilities (including contingent liabilities, but without giving effect to any Guaranteed Obligations arising under this Guaranty) on such date. All parties hereto recognize and agree that, except for any right of contribution arising pursuant to this Section 10.11, each Guarantor who makes any payment in respect of the Guaranteed Obligations shall have no right of contribution or subrogation against any other Guarantor in respect of such payment until after all Guaranteed Obligations and any other amounts payable under this Guaranty are indefeasibly paid in full in cash and the Commitments and the Facilities with respect to the Guaranteed Obligations are terminated and all Letters of Credit have been cancelled, have expired or terminated or have been collateralized to the satisfaction of the Administrative Agent and the L/C Issuers. Each of the Guarantors recognizes and acknowledges that the rights to contribution arising hereunder shall constitute an asset in favor of the party entitled to such contribution. In this connection, each Guarantor has the right to waive its contribution right against any Guarantor to the extent that after giving effect to such waiver such Guarantor would remain Solvent, in the determination of the Administrative Agent or the Required Lenders.

10.12 Keepwell

(a) . Each Loan Party that is a Qualified ECP Guarantor at the time the Guaranty hereunder by any Specified Loan Party becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under this Guaranty and the other Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Article X voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section 10.12 shall remain in full force and effect until the Obligations have been indefeasibly paid and performed in full. Each Qualified ECP Guarantor intends this Section 10.12 to constitute, and this Section 10.12 shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

ARTICLE XI. MISCELLANEOUS

11.01 Amendments, Etc.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders (or, to the extent such amendment or waiver (i) changes the definition of "Required Revolving Lenders", "Required Term A-1 Lenders", "Required Term A-2 Lenders", or "Required Incremental TL Facility Lenders" each Lender under the applicable Facility or (ii) waives any obligation of the Borrower to pay Letter of Credit Fees at the Default Rate, the Required Revolving Lenders), the Borrower and any applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that (x) the Administrative Agent and the Borrower may, without the consent of any Lender or any Guarantor then party hereto, (1) amend this Agreement to add a Subsidiary as a "Guarantor" hereunder pursuant to a joinder agreement in substantially the form of Exhibit G and (2) amend, modify or supplement this Agreement and any other Loan Document to cure any ambiguity, omission, typographical error, mistake, defect or inconsistency if such amendment, modification or supplement does not adversely affect the rights of the Administrative Agent or any Lender and (y) notwithstanding the foregoing provisions of this Section 11.01 (including the first proviso above), no such amendment, waiver or consent shall:

(a) waive any condition set forth in Section 4.01(a) without the written consent of each Lender;

(b) without limiting the generality of clause (a) above, waive any condition set forth in Section 4.02 as to any Credit Extension under a particular Facility without the written consent of the Required Revolving Lenders, the Required Term A-1 Lenders, the Required Term A-2 Lenders or the Required Incremental TL Facility Lenders, as the case may be;

(c) extend (except as provided in Section 2.14) or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;

(d) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender entitled to such payment;

(e) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (v) of the second proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to such payment; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder;

(f) change Section 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(g) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder (other than the definitions specified in the first paragraph of this Section 11.01), without the written consent of each Lender;

(h) release all or substantially all of the value of the Guaranty, without the written consent of each Lender, except as expressly provided in the Loan Documents; or

(i) impose any greater restriction on the ability of any Lender under a Facility to assign any of its rights or obligations hereunder without the written consent of (i) if such Facility is the Term A-1 Facility, each Term A-1 Lender, (ii) if such Facility is the Term A-2 Facility, each Term A-2 Lender, (iii) if such Facility is an Incremental TL Facility, each Term Lender holding Term Loans of such Incremental TL Facility, and (iv) if such Facility is the Revolving Credit Facility, each Revolving Credit Lender;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by an L/C Issuer in addition to the Lenders required above, affect the rights or duties of such L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iv) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, amend, or waive or consent to any departure from, the definitions of LIBOR, LIBOR Screen Rate, LIBOR Successor Rate, LIBOR Successor Rate Conforming Changes or Scheduled Unavailability Date or the provisions of Section 3.07; and (v) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitments of any Defaulting Lender may not be increased or extended (except as provided in Section 2.14) without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender in a disproportionately adverse manner relative to other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding any provision herein to the contrary, subject to the provisions of Section 2.15, in connection with the establishment of any Incremental TL Facility the Administrative Agent, the Borrower and the Lenders providing commitments for such Incremental TL Facility may (without the consent of any other Person) amend, modify or supplement this Agreement and the other Loan Documents (A) to incorporate the terms of such Incremental TL

Facility and to permit the extensions of credit and related obligations and liabilities arising in connection therewith from time to time outstanding to share ratably in the benefits of this Agreement and the other Loan Documents with the obligations and liabilities from time to time outstanding in respect of the then existing facilities hereunder, (B) to permit the Term Lenders providing such Incremental TL Facility to participate in any required vote or action required to be approved by the Required Lenders or (if applicable to Term Lenders) by any other number, percentage or class of Lenders hereunder and (C) the terms or provisions in any Loan Document requiring pro rata payments, distributions or sharing of payments (including Section 8.03) so long as such payments, distributions and sharing of payments continue to be based on each Lender's Applicable Percentage with respect to the Facilities in which it participates.

11.02 Notices; Effectiveness; Electronic Communications

.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (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 telecopier 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 a Loan Party, the Administrative Agent, an L/C Issuer or the Swing Line Lender, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 11.02; and

(ii) if to any other Lender, to the address, telecopier 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 Loan Parties).

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 telecopier 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 subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuers 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 or any L/C Issuer pursuant to Article II if such Lender or such L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Swing Line Lender, an L/C Issuer or a Loan Party 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 ANY AGENT PARTY 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 Loan Party, any Lender, any L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of 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. In addition, in no event shall any Agent Party have any liability to any Loan Party, any Lender, any L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Loan Parties, the Administrative Agent, the L/C Issuers and the Swing Line Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the L/C Issuers and the Swing Line Lender. 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, telecopier 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 one or more of the Borrower and its Subsidiaries or their respective securities for purposes of United States Federal or state securities laws.

(e) Reliance by Administrative Agent, L/C Issuers and Lenders. The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic notices, Committed Loan Notices, Letter of Credit Applications and Swing Line Loan Notices) purportedly given by or on behalf of a Loan Party 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. Each Loan Party shall jointly and severally indemnify the Administrative Agent, each L/C Issuer, 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 a Loan Party. 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.

11.03 No Waiver; Cumulative Remedies; Enforcement

. No failure by any Lender, any L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges 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 8.02 for the benefit of all the Lenders and the L/C Issuers; 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) any L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or the Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 11.08 (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 8.02 and (ii) in addition to the matters set forth in clauses (b), (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.

11.04 Expenses; Indemnity; Damage Waiver

.

(a) Costs and Expenses. The Loan Parties shall jointly and severally pay, or cause to be paid, (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Arrangers, the Bookrunners and their respective Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, the Arrangers and the Bookrunners), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, amendments and restatements, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by any L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Lender or any L/C Issuer (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or any L/C Issuer, including the allocated costs of internal counsel), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification. The Loan Parties shall jointly and severally indemnify the Administrative Agent (and any sub-agent thereof), the Arrangers, the Bookrunners, the Swing Line Lender, each Lender and each L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable, actual and documented fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or 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 3.01), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials at, on, under or emanating from any property owned, leased or operated by the any Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Loan Party or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the

foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Loan Party or any of such Loan Party's directors, shareholders or creditors, and regardless of whether any Indemnitee is a party thereto, **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 INDEMNITEE**; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence , bad faith or willful misconduct of such Indemnitee (or any Affiliate Controlled by or under common Control with such Indemnitee).

(c) Reimbursement by Lenders. To the extent that the Loan Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by them to the Administrative Agent (or any sub-agent thereof), the Arrangers, the Bookrunners, the Swing Line Lender, the L/C Issuers or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Arrangers, the Bookrunners, the Swing Line Lender, the L/C Issuers or such Related Party, as the case may be, such Lender's ratable share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), any Arranger, any Bookrunner, the Swing Line Lender or any L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the Swing Line Lender or any L/C Issuer in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, no Loan Party, nor any Subsidiary thereof, shall assert, and each Loan Party hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 11.02(e) shall survive the resignation of the Administrative Agent, any L/C Issuer and the Swing Line Lender, the replacement of any Lender, the termination of the Revolving Credit Facility and the Term Facilities and the repayment, satisfaction or discharge of all the other Obligations.

11.05 Payments Set Aside

. To the extent that any payment by or on behalf of any Loan Party is made to the Administrative Agent, any L/C Issuer or any Lender, or the Administrative Agent, any L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount received by such Lender or such L/C Issuer and so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuers under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 Successors and Assigns

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(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted such assignment or transfer without such consent shall be null and void) and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 11.06(b), (ii) by way of participation in accordance with the provisions of Section 11.06(d) or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 11.06(f) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuers and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment(s) and the Loans (including for purposes of this Section 11.06(b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that (in each case with respect to any Facility) any such assignment shall be subject to the following

conditions (other than an assignment effected pursuant to the terms of Section 9.09, which shall not be subject to clauses (i), (ii) or (iv) below or restricted to Eligible Assignees):

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment under any Facility and/or the Loans at the time owing to it under any Facility or contemporaneous assignments to related Approved Funds (determined after giving effect to such Assignments) that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the applicable Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000, in the case of any assignment in respect of any Facility unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not apply to (A) the Swing Line Lender's rights and obligations in respect of Swing Line Loans or (B) prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-pro rata basis;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment, (2) if such assignment is with respect to the Revolving Credit Facility, such assignment is to a Revolving Credit Lender or an Affiliate of a Revolving Credit Lender or (3) if such assignment is with respect to a Term Facility, such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if an assignment is to a Person that is not a Lender in respect of the applicable Facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender;

(C) the consent of the L/C Issuers and the Swing Line Lender shall be required for any assignment in respect of the Revolving Credit Facility that is not to a Revolving Credit Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, and shall pay or cause to be paid to the Administrative Agent a processing and recordation fee in the amount of $3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment, and such fee shall be waived in the event of an assignment by a Lender to its Affiliate. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to any Loan Party or any Loan Party's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person).

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to 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 Loans previously requested but not funded by such 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, any L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned

by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to (i) the assignee Lender and/or (ii) in the case of a partial assignment by a Lender of its rights or obligations under this Agreement, the assigning Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 11.06(d).

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by any Loan Party and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower, any other Loan Party, any L/C Issuer, the Swing Line Lender or the Administrative Agent, sell participations to any Person (other than a natural person or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person, a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the other Loan Parties, the Administrative Agent, the Lenders and the L/C Issuers shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such

agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.06(b) (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.06(b); provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 11.13 as if it were an assignee under Section 11.06(b) and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees 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 Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign, or grant a security interest in, all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment, or grant of a security interest, to secure obligations to a Federal Reserve Bank or any other central bank; provided that no such pledge or assignment or grant shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee or grantee for such Lender as a party hereto.

(f) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time a Lender that is an L/C Issuer and/or the Swing Line Lender assigns all of its Revolving Credit Commitment and Revolving Credit Loans pursuant to Section 11.06(b) above, such Lender may, (i) upon 30 days' notice to the Borrower and the Lenders, resign as an L/C Issuer and/or (ii) upon 30 days' notice to the Borrower, resign as the Swing Line Lender. In the event of any such resignation as an L/C Issuer or the Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders

a successor L/C Issuer or Swing Line Lender hereunder, as the case may be; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of such Lender as an L/C Issuer or the Swing Line Lender, as the case may be. If any Lender resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If any Lender resigns as the Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the resigning L/C Issuer or Swing Line Lender, as the case may be, and (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit issued by the resigning L/C Issuer, if any, outstanding at the time of such succession or make other arrangements satisfactory to the resigning L/C Issuer to effectively assume the obligations of the resigning L/C Issuer with respect to such Letters of Credit.

11.07 Treatment of Certain Information; Confidentiality

. Each of the Administrative Agent, the Lenders and each L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) 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, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or any Eligible Assignee invited to be a Lender pursuant to Section 2.15(c) or Section 11.01 or (ii) any actual or prospective party (or its Related Parties) 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, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or any of its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, any L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower or another Loan Party. 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 Agents and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section, "Information" means all information received from any Loan Party or any Subsidiary thereof relating to any Loan Party or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or any L/C Issuer on a nonconfidential basis prior to disclosure by any Loan Party or any Subsidiary thereof, provided that, in the case of information received from any Loan Party or any Subsidiary thereof after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the L/C Issuers acknowledges that (a) the Information may include material non-public information concerning a Loan Party 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.

11.08 Right of Setoff

. If an Event of Default shall have occurred and be continuing, each Lender, each L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Required Lenders, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, such L/C Issuer or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or such L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such L/C Issuer different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuers and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such L/C Issuer or their respective Affiliates may have. Each Lender and L/C Issuer agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 Interest Rate Limitation

. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 Counterparts; Effectiveness

. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Except as provided in Section 4.01, 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. Delivery of an executed counterpart of a signature page of this Agreement by telecopier or other electronic imaging means (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11 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 Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.12 Severability

. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 11.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, any L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 Replacement of Lenders

. If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, or if any other circumstance exists hereunder that gives the Borrower the right to replace a Lender as a party hereto, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the other Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C 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 3.05) 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);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) 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 Lender agrees that, if the Borrower elects to replace such Lender in accordance with this Section 11.13, it shall promptly execute and deliver to the Administrative Agent an Assignment and Assumption to evidence the assignment and shall deliver to the Administrative Agent any Note (if a Note has been issued in respect of such Lender's Loans) subject to such Assignment and Assumption; provided that the failure of any such Lender to execute an Assignment and Assumption shall not render such assignment invalid and such assignment shall be recorded in the Register.

11.14 Governing Law; Jurisdiction; Etc.

(a) 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.

(b) SUBMISSION TO JURISDICTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, ANY L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 Waiver of Jury Trial

. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR

INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16 No Advisory or Fiduciary Responsibility

. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, amendment and restatement, waiver or other modification hereof or of any other Loan Document), each of the Loan Parties acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Arrangers and the Bookrunners are arm's-length commercial transactions between the Borrower, each of the other Loan Parties and their respective Affiliates, on the one hand, and the Administrative Agent, the Arrangers and the Bookrunners, on the other hand, (B) each of the Borrower and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each of the Borrower and the other Loan Parties is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, each of the Lenders, each of the Arrangers and each of the Bookrunners is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower, any other Loan Party or any of their respective Affiliates, or any other Person and (B) none of the Administrative Agent, any Lender, any Arranger or any Bookrunner has any obligation to the Borrower, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Lenders, the Arrangers and the Bookrunners and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, the other Loan Parties and their respective Affiliates, and none of the Administrative Agent, any Lender, any Arranger or any Bookrunner has any obligation to disclose any of such interests to the Borrower, the other Loan Parties or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrower and each of the other Loan Parties hereby waives and releases any claims that it may have against the Administrative Agent, any Lender, any Arranger or any Bookrunner with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.17 Electronic Execution of Assignments and Certain Other Documents

. The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation, Assignment and Assumptions, amendments or other modifications, Committed Loan Notices, Swing Line Loan Notices, waivers and consents) shall be deemed to include Electronic Signatures, the electronic matching of assignment terms and

contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept Electronic Signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided further that, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, each party hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any other party hereto without further verification and (b) upon the reasonable request of the Administrative Agent or any Lender, any Electronic Signature of any party to this Agreement shall, as promptly as practicable, be followed by such manually executed counterpart. For purposes hereof, "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.

11.18 USA PATRIOT Act

. Each Lender that is subject to the U.S. Patriot Act 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 U.S. Patriot Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the U.S. Patriot Act. Each Loan Party shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the U.S. Patriot Act.

11.19 ENTIRE AGREEMENT

. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND THEREOF 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.

11.20 Existing Notes

. On the Closing Date, the Existing Notes, if any, held by each Lender shall be deemed to be cancelled. All amounts owing under, and evidenced by, the Existing Notes of any Lender as of the Closing Date shall continue to be outstanding hereunder notwithstanding any such cancellation and such amounts shall in any event be evidenced by, and governed by the terms of, the Loan Documents. Each Lender, whether or not requesting a Revolving Credit Note, a Term A-1 Note or a Term A-2 Note hereunder, shall use its commercially reasonable efforts to deliver the Existing Notes held by it to the Borrower for cancellation and/or amendment and restatement. Each Lender hereby agrees to indemnify and hold harmless the Loan Parties from and against any and all liabilities, losses, damages, actions or claims that may be imposed on, incurred by or asserted against any Loan Party arising out of such Lender's failure to deliver the Existing Notes held by it to the Borrower for cancellation, subject to the condition that

the Borrower shall not make any payment to any Person claiming to be the holder of such Existing Notes unless such Lender is first notified of such claim and is given the opportunity, at such Lender's sole cost and expense, to assert any defenses to such payment.

11.21 Amendment and Restatement

. As of the Closing Date, the "Lenders" under (and as defined in) the Existing Credit Agreement shall be Lenders under this Agreement with Commitments as set forth on Schedule 2.01 hereto. On the Closing Date, the Existing Credit Agreement shall be amended, restated and superseded in its entirety by this Agreement. The parties hereto acknowledge and agree that (a) this Agreement and the other Loan Documents, whether executed and delivered in connection herewith or otherwise, do not constitute a novation, payment and reborrowing, or termination of the rights, obligations and liabilities of the respective parties (including the Obligations) existing under the Existing Credit Agreement as in effect prior to the Closing Date and (b) such obligations are in all respects continuing (as amended and restated hereby) with only the terms thereof being modified as provided in this Agreement. Without limiting the generality of the foregoing (i) all "Loans" outstanding under the Existing Credit Agreement shall on the Closing Date become Loans hereunder and (ii) all other Obligations outstanding under the Existing Credit Agreement shall on the Closing Date be Obligations under this Agreement.

11.22 Acknowledgement 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 Lender that is an 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 Lender 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.

11.23 Acknowledgement Regarding Any Supported QFCs

. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the

resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(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 11.23, the following terms have the following meanings:

"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.

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

"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.

"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).

[*signature pages immediately follow*]

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

Exhibit 21.1

Subsidiaries of
Apple Hospitality REIT, Inc.
At December 31, 2021
(The state of incorporation or organization of each subsidiary is Virginia, except as noted below)

(The state of incorporation or organization of each subsidiary is Virginia, except as noted below)

A. Direct Subsidiaries
Apple Air Holding, LLC
Apple Fund Management, LLC
Apple Nine Alabama, LLC
Apple Nine Hospitality, Inc.
Apple Nine Oklahoma, LLC
Apple REIT Eight, Inc.
Apple REIT Seven, Inc.
Apple REIT Ten, Inc

B. Indirect Subsidiaries (held through direct subsidiaries or other indirect subsidiaries)

Apple Eight California, Inc.
Apple Eight Hospitality Management, Inc.
Apple Eight Hospitality Massachusetts Services, Inc.
Apple Eight Hospitality Massachusetts, Inc.
Apple Eight Hospitality Midwest, LLC
Apple Eight Hospitality Ownership, Inc.
Apple Eight Hospitality Texas Services, LLC
Apple Eight Hospitality, Inc.
Apple Eight NC GP, Inc.
Apple Eight NC LP, Inc.
Apple Eight North Carolina, L.P.
Apple Eight Services Jacksonville, Inc.
Apple Eight Services Westford, Inc.
Apple Eight SPE Savannah, Inc.
Apple Eight SPE Somerset, Inc.
Apple Eight SPE Tukwila, Inc.
Apple Eight SPE Westford, Inc.
Apple Hospitality FTW Charlie, LLC
Apple Hospitality FTW Northton, LLC
Apple Nine Collegeville Business Trust
Apple Nine Florida Services, Inc.
Apple Nine Hospitality Management, Inc.
Apple Nine Hospitality Ownership, Inc.
Apple Nine Hospitality Texas Services II, Inc.
Apple Nine Hospitality Texas Services III, Inc.
Apple Nine Hospitality Texas Services IV, Inc.
Apple Nine Hospitality Texas Services V, Inc.
Apple Nine Hospitality Texas Services, Inc.
Apple Nine Louisiana GP, Inc.
Apple Nine Louisiana, L.P.
Apple Nine Malvern Pennsylvania Business Trust*
Apple Nine Missouri, LLC
Apple Nine NC GP, Inc.
Apple Nine NC LP, Inc.
Apple Nine North Carolina, L.P.
Apple Nine Pennsylvania Business Trust*
Apple Nine Pennsylvania, Inc.
Apple Nine Seattle Fee Owner, Inc.
Apple Nine Services Boise, Inc.
Apple Nine Services Richmond, Inc.

Subsidiaries of
Apple Hospitality REIT, Inc.
At December 31, 2021
(The state of incorporation or organization of each subsidiary is Virginia, except as noted below)

Apple Nine SPE Anchorage, Inc.
Apple Nine SPE Boise, Inc.
Apple Nine SPE Burbana, Inc.
Apple Nine SPE Grapevine, Inc.
Apple Nine SPE Madison, Inc.
Apple Nine SPE Malvern, Inc.
Apple Nine SPE Portland, Inc.
Apple Nine SPE Richmond, Inc.
Apple Nine SPE San Jose, Inc.
Apple Seven Hospitality Management, Inc.
Apple Seven Hospitality Ownership, Inc.
Apple Seven Hospitality, Inc.
Apple Seven Management Services GP, Inc.
Apple Seven Management Services LP, Inc.
Apple Seven Management Services New Orleans GP, Inc.
Apple Seven New Orleans GP, Inc.
Apple Seven New Orleans LP, Inc.
Apple Seven Services Highlands Ranch, Inc.
Apple Seven Services II, LLC
Apple Seven Services Miami, Inc.
Apple Seven Services New Orleans, L.P.
Apple Seven Services Provo-San Diego, Inc.
Apple Seven Services Richmond, Inc.
Apple Seven Services San Diego, Inc.
Apple Seven Services Southeast, L.P.
Apple Seven Services, LLC
Apple Seven SPE Hattiesburg, Inc.
Apple Seven SPE Huntsville, Inc.
Apple Seven SPE Kirkland, Inc.
Apple Seven SPE Miami, Inc.
Apple Seven SPE New Orleans, L.P.
Apple Seven SPE Prattville, Inc.
Apple Seven SPE Rancho Bernardo, Inc.
Apple Seven SPE Richmond, Inc.
Apple Seven SPE San Diego, Inc.
Apple Seven SPE Seattle, Inc.
Apple Seven SPE SoCal, Inc.
Apple Six Hospitality Air, LLC
Apple Ten Alabama Services, LLC
Apple Ten Business Trust
Apple Ten Florida Services, Inc.
Apple Ten Hospitality Management, Inc.
Apple Ten Hospitality Ownership, Inc.
Apple Ten Hospitality Texas Services II, Inc.
Apple Ten Hospitality Texas Services III, Inc.
Apple Ten Hospitality Texas Services IV, Inc.
Apple Ten Hospitality Texas Services, Inc.
Apple Ten Hospitality, Inc.
Apple Ten Illinois Services, Inc.
Apple Ten Illinois, LLC
Apple Ten NC GP, Inc.
Apple Ten NC LP, Inc.
Apple Ten Nebraska, LLC
Apple Ten North Carolina, L.P.
Apple Ten Oklahoma Services, Inc.
Apple Ten Oklahoma, LLC

Subsidiaries of
Apple Hospitality REIT, Inc.
At December 31, 2021
(The state of incorporation or organization of each subsidiary is Virginia, except as noted below)

Apple Ten Services Capistrano, Inc.
Apple Ten Services Colorado Springs, Inc.
Apple Ten Services Denver, Inc.
Apple Ten Services Franklin I, Inc.
Apple Ten Services Franklin II, Inc.
Apple Ten Services Gainesville, Inc.
Apple Ten Services Knoxville II, Inc.
Apple Ten Services OHare, Inc.
Apple Ten Services Scottsdale, Inc.
Apple Ten SPE Calibraska, Inc.
Apple Ten SPE Capistrano, Inc.
Apple Ten SPE Colorado Springs, Inc.
Apple Ten SPE Denver, Inc.
Apple Ten SPE Franklin I, Inc.
Apple Ten SPE Franklin II, Inc.
Apple Ten Illinois MM, Inc.
D&D Beverage Services, LLC**
Sunbelt-I2CF, LLC***

* State of organization is Pennsylvania.
** State of organization is Kansas
*** State of organization is Florida

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-8 No. 333-204171) pertaining to the 2014 Omnibus Incentive Plan and the 2008 Non-Employee Directors Stock Option Plan of Apple Hospitality REIT, Inc., and

(2) Registration Statement (Form S-3 No. 333-231021) of Apple Hospitality REIT, Inc.;

of our reports dated February 22, 2022, with respect to the consolidated financial statements of Apple Hospitality REIT, Inc. and the effectiveness of internal control over financial reporting of Apple Hospitality REIT, Inc., included in this Annual Report (Form 10-K) of Apple Hospitality REIT, Inc. for the year ended December 31, 2021.

/s/ ERNST & YOUNG LLP
Richmond, Virginia
February 22, 2022

Exhibit 31.1

CERTIFICATION

I, Justin G. Knight, certify that:

1. I have reviewed this report on Form 10-K of Apple Hospitality REIT 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 officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers 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 22, 2022

/s/ Justin G. Knight

Justin G. Knight
Chief Executive Officer
Apple Hospitality REIT, Inc.

Exhibit 31.2

CERTIFICATION

I, Elizabeth S. Perkins, certify that:

1. I have reviewed this report on Form 10-K of Apple Hospitality REIT, 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 officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers 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 22, 2022

/s/ Elizabeth S. Perkins

Elizabeth S. Perkins
Chief Financial Officer
Apple Hospitality REIT, Inc.

Exhibit 31.3

CERTIFICATION

I, Rachel S. Labrecque, certify that:

1. I have reviewed this report on Form 10-K of Apple Hospitality REIT, 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 officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers 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 22, 2022

/s/ Rachel S. Labrecque

Rachel S. Labrecque
Chief Accounting Officer
Apple Hospitality REIT, Inc.

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 Apple Hospitality REIT, Inc., (the "Company") on Form 10-K for the year ending December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby 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; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of December 31, 2021, and for the period then ended.

Apple Hospitality REIT, Inc.

/s/ Justin G. Knight
Justin G. Knight
Chief Executive Officer

/s/ Elizabeth S. Perkins
Elizabeth S. Perkins
Chief Financial Officer

/s/ Rachel S. Labrecque
Rachel S. Labrecque
Chief Accounting Officer

February 22, 2022