

LOAN AGREEMENT

Dated as of November 10, 2016

Between

WARAMAUG HAUPPAUGE LLC

as Borrower

and

LADDER CAPITAL FINANCE LLC,
as Lender

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EXHIBITS

- Exhibit A - Form of Smith Travel Research Report
- Exhibit B - Form of Tenant Direction Letter
- Exhibit C - Form of Credit Card Bank Payment Direction Letter
- Exhibit D - Form of Credit Card Company Payment Direction Letter

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of November 10, 2016 (as amended, restated, replaced, supplemented or otherwise modified from time to time, this “**Agreement**”), between **LADDER CAPITAL FINANCE LLC**, a Delaware limited liability company, having an address at 345 Park Avenue, 8th Floor, New York, New York 10154 (together with its successors and assigns, “**Lender**”) and **WARAMAUG HAUPPAUGE LLC**, a Delaware limited liability company, having an address at 2500 North Military Trail, Suite 275, Boca Raton, Florida 33431 (together with its successors and permitted assigns, “**Borrower**”).

WITNESSETH:

WHEREAS, Borrower desires to obtain the Loan from Lender; and

WHEREAS, Lender is willing to make the Loan to Borrower, subject to and in accordance with the terms and conditions of the Loan Documents.

NOW, THEREFORE, in consideration of the covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree, represent and warrant as follows:

ARTICLE 1:DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly provided herein, all capitalized terms used in this Agreement shall have the respective meanings set forth on Schedule I attached hereto.

Section 1.2 Principles of Construction. All references to sections and schedules are to sections and schedules in or to this Agreement unless otherwise specified. Unless otherwise specified, the words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement and the word “including” shall mean “including but not limited to”. Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined.

ARTICLE 2:THE LOAN

Section 2.1 The Loan.

2.1.1 Agreement to Lend and Borrow. Subject to and upon the terms and conditions set forth herein, Lender shall make the Loan to Borrower and Borrower shall accept the Loan from Lender on the Closing Date.

2.1.2 The Note. The Loan shall be evidenced by that certain Amended, Restated and Consolidated Promissory Note of even date herewith in the stated principal amount of TEN MILLION SIX HUNDRED SEVENTY FIVE THOUSAND and NO/100 DOLLARS (\$10,675,000.00) executed by Borrower and payable to the order of Lender in evidence of the Loan (as the same may hereafter be amended, supplemented, restated, increased, extended or

consolidated from time to time, the “**Note**”) and shall be repaid in accordance with the terms of this Agreement and the Note.

2.1.3 **Use of Proceeds.** Borrower shall use the proceeds of the Loan to (a) acquire the Property, (b) pay and discharge any existing loans, if any, relating to the Property, (c) pay all past-due Taxes, Insurance Premiums and Other Charges, if any, in respect of the Property, (d) make initial deposits of the Reserve Funds, (e) pay costs and expenses incurred in connection with the closing of the Loan, as approved by Lender, and (f) fund any working capital requirements of the Property, as approved by Lender. Any excess proceeds may be used for any lawful purpose.

Section 2.2 Interest Rate.

2.2.1 **Interest Rate.** Subject to the further provisions of this Agreement, including, without limitation, Sections 2.2.2 and 2.2.4 hereof, the Outstanding Principal Balance shall bear interest throughout the Term at the Interest Rate.

2.2.2 **Default Rate.** In the event that, and for so long as, any Event of Default shall have occurred and be continuing, the Outstanding Principal Balance and, to the extent permitted by law, overdue interest in respect of the Loan, shall, at Lender’s election, accrue interest at the Default Rate, calculated from the date the Default occurred which led to such Event of Default, without regard to any grace or cure periods contained herein. Interest at the Default Rate shall be paid immediately upon demand, which demand may be made as frequently as Lender shall elect.

2.2.3 **Interest Calculation.** Interest on the Outstanding Principal Balance shall be calculated by multiplying (a) the actual number of days elapsed in the period for which the calculation is being made by (b) a daily rate based on a three hundred sixty (360) day year (that is, the Interest Rate or the Default Rate, as then applicable, expressed as an annual rate divided by 360) by (c) the Outstanding Principal Balance. The accrual period for calculating interest due on each Monthly Payment Date shall be the Interest Period immediately prior to such Monthly Payment Date.

2.2.4 **Usury Savings.** The Loan Documents are subject to the express condition that at no time shall Borrower be required to pay interest on the principal balance of the Loan at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If by the terms of the Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by any Legal Requirements, be amortized, prorated, allocated and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on

account of the Loan does not exceed the Maximum Legal Rate from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

Section 2.3 Loan Payments; Term of Loan.

2.3.1 Loan Payments Generally.

(a) Borrower shall make a payment to Lender of interest only on the Closing Date for the period from the Closing Date through and including the next succeeding fifth (5th) day of a calendar month, whether such fifth (5th) day shall occur in the calendar month in which the Closing Date occurs or in the month immediately succeeding the month in which the Closing Date occurs (unless the Closing Date is the sixth (6th) day of a calendar month, in which case no such separate payment of interest shall be due). Each interest accrual period (the “**Interest Period**”) thereafter shall commence on the sixth (6th) day of each calendar month during the Term and shall end on and include the fifth (5th) day of the next occurring calendar month.

(b) On each Monthly Payment Date throughout the Term, Borrower shall make a constant monthly payment of \$59,477.80 to Lender (each such payment, a “**Monthly Debt Service Payment**”), as such amount may be adjusted upon any partial prepayment of the Loan permitted pursuant to this Agreement, which payments shall be applied first to accrued and unpaid interest and the balance to principal.

(c) Lender shall have the right from time to time, in its sole discretion, upon not less than thirty (30) days prior written notice to Borrower, to change the Monthly Payment Date to a different calendar day each month which is not more than five (5) days earlier nor more than ten (10) days later than the sixth (6th) day of each calendar month; provided, however, that if Lender shall have elected to change the Monthly Payment Date as aforesaid, Lender shall have the option, but not the obligation, to adjust the Interest Period correspondingly.

2.3.2 Payment on Maturity Date. The Loan shall mature on the Maturity Date. Borrower shall pay to Lender on the Maturity Date the Outstanding Principal Balance, all accrued and unpaid interest and all other amounts due under the Loan Documents.

2.3.3 Late Payment Charge. If any principal, interest or any other sum due under the Loan Documents, other than the payment of principal due on the Maturity Date, is not paid by Borrower on the date on which it is due, Borrower shall pay to Lender upon demand an amount equal to the lesser of five percent (5%) of such unpaid sum or the maximum amount permitted by any Legal Requirements, in order to defray the expense incurred by Lender in handling and processing such delinquent payment and to compensate Lender for the loss of the use of such delinquent payment. Any such amount shall be secured by the Mortgage and the other Loan Documents.

2.3.4 Method and Place of Payment.

(a) Except as otherwise specifically provided herein, all payments and prepayments under this Agreement and the Note shall be made to Lender not later than 1:00 P.M., New York City time, on the date when due and shall be made in lawful money of the United States of America in immediately available funds at Lender's office or at such other place as Lender shall from time to time designate in writing to Borrower, and any funds received by Lender after such time shall, for all purposes hereof, be deemed to have been paid on the next succeeding Business Day.

(b) Whenever any payment to be made under any Loan Document shall be stated to be due on a day which is not a Business Day, the due date thereof shall be the immediately preceding Business Day.

(c) All payments required to be made by Borrower under the Loan Documents shall be made irrespective of, and without deduction for, any setoff, claim, counterclaim or otherwise and shall be made irrespective of any defense thereto.

Section 2.4 Prepayments.

2.4.1 Voluntary Prepayments. Except as otherwise provided herein, and as set forth in Section 5.4, Borrower shall not have the right to prepay the Loan in whole or in part. Subject to Section 2.4.3 hereof, on the Open Prepayment Date, and on any Business Day thereafter, Borrower may, at its option and upon not less than thirty (30) days prior notice to Lender, prepay the Outstanding Principal Balance in whole only without payment of the Yield Maintenance Premium. Any prepayment received by Lender under this Section 2.4.1 shall be accompanied by (a) all interest which would have accrued on the principal amount prepaid through, but not including, the next occurring Monthly Payment Date (or, if such prepayment occurs on a Monthly Payment Date, through, but not including, such Monthly Payment Date), (b) all other sums due and payable under the Loan Documents, and (c) all reasonable out-of-pocket costs and expenses incurred by Lender in connection with such prepayment. A notice of prepayment may be revoked by Borrower if written notice of such revocation is delivered by Borrower to Lender on or before the date that is five (5) Business Days prior to the prepayment date set forth in the notice of prepayment. If Borrower delivers to Lender notice of prepayment and subsequently revokes such notice prior to prepayment, Borrower shall promptly reimburse Lender for all actual costs and expenses incurred by Lender (including any reasonable attorneys' fees) due to such revoked notice or otherwise in connection with the anticipated prepayment.

2.4.2 Mandatory Prepayments. On the next occurring Monthly Payment Date following the date on which Lender actually receives a distribution of Net Proceeds, if Lender does not make such Net Proceeds available to Borrower for a Restoration in accordance with Section 5.2 hereof, Borrower shall, at Lender's option, prepay the Outstanding Principal Balance in an amount equal to one hundred percent (100%) of such Net Proceeds; provided, however, if an Event of Default has occurred and is continuing, Lender may apply such Net Proceeds to the Debt in any order, proportion and priority as Lender may determine in its sole and absolute discretion. Any prepayment received by Lender under this Section 2.4.2 shall be (a) subject to

Section 2.4.3 hereof and (b) accompanied by (i) all interest which would have accrued on the principal amount prepaid through, but not including, such Monthly Payment Date, (ii) all other sums due and payable under the Loan Documents, and (iii) all reasonable out-of-pocket costs and expenses incurred by Lender in connection with such prepayment. Provided that no Event of Default shall have occurred and be continuing, no Yield Maintenance Premium shall be due in connection with any prepayment made pursuant to this Section 2.4.2.

2.4.3 Prepayments After Default. If, after the occurrence and during the continuance of an Event of Default, prepayment of all or any part of the Debt is tendered by Borrower (which tender may be rejected by Lender to the extent permitted by applicable Legal Requirements) or otherwise recovered by Lender (including through application of any Reserve Funds), such tender or recovery shall be deemed (a) to have been made on the next occurring Monthly Payment Date and such prepayment shall be applied first to the Monthly Debt Service Payment due on such date and (b) to be a voluntary prepayment by Borrower in violation of the prohibition against prepayment set forth in Section 2.4.1 hereof, and Borrower shall pay, in addition to the Debt, or portion thereof then being prepaid or satisfied, (i) the Yield Maintenance Premium on the Outstanding Principal Balance, or portion thereof then being prepaid or satisfied, as of the date such prepayment is paid to Lender, (ii) all interest which would have accrued on the principal amount prepaid through, but not including, such Monthly Payment Date, (iii) if such prepayment occurs prior to the final sale of the Loan in a Secondary Market Transaction, Hedge Losses, (iv) all other sums due and payable under the Loan Documents, and (v) all reasonable out-of-pocket costs and expenses incurred by Lender in connection with such prepayment.

Section 2.5 Intentionally Omitted.

Section 2.6 Defeasance.

2.6.1 Conditions to Defeasance. Provided no Event of Default has occurred and is continuing, at any time after the Permitted Defeasance Date, and before the Open Prepayment Date, Borrower may cause the release of the Property from the Lien of the Mortgage and the other Loan Documents upon the satisfaction of the following conditions (collectively, a “**Defeasance**”):

(a) not less than thirty (30) days prior written notice shall be given to Lender specifying a date (the “**Release Date**”) on which the Defeasance Collateral is to be delivered, such Release Date to occur only on a Monthly Payment Date;

(b) all accrued and unpaid interest and all other sums due under the Loan Documents up to the Release Date, including, without limitation, all costs and expenses incurred by Lender or its agents in connection with such release (including, without limitation, the fees and expenses incurred by attorneys and accountants in connection with the review of the proposed Defeasance Collateral and the preparation of the Defeasance Security Agreement and related documentation), shall be paid in full on or prior to the Release Date;

(c) Borrower shall deliver to Lender on or prior to the Release Date:

(i) U.S. Obligations that provide for payments (A) on or prior to, but as close as possible to and including, all successive scheduled Monthly Payment Dates after the Release Date through the Open Prepayment Date and (B) in amounts equal to or greater than the scheduled payments due on such Monthly Payment Dates under the Note through and including the Open Prepayment Date together with payment in full of the Outstanding Principal Balance as of the Stated Maturity Date (the "**Defeasance Collateral**"), each of which shall be duly endorsed by the holder thereof as directed by Lender or accompanied by a written instrument of transfer in form and substance wholly satisfactory to Lender (including, without limitation, such instruments as may be required by the depository institution holding such securities to effectuate book-entry transfers and pledges through the book-entry facilities of such institution) in order to create a first priority security interest therein in favor of Lender in conformity with all applicable state and federal laws governing granting of such security interests;

(ii) a pledge and security agreement, in form and substance satisfactory to Lender in its sole discretion, creating a first priority security interest in favor of Lender in the Defeasance Collateral (the "**Defeasance Security Agreement**");

(iii) an Officer's Certificate certifying that all of the requirements set forth in this Section 2.6 have been satisfied;

(iv) an opinion from counsel, and in form and substance, in each case reasonably acceptable to Lender and acceptable to the Rating Agencies in their sole discretion stating, among other things, that (A) Lender has a perfected first priority security interest in the Defeasance Collateral and that the Defeasance Security Agreement is enforceable against Borrower in accordance with its terms and (B) that any REMIC Trust formed pursuant to a Securitization will not fail to maintain its status as a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code or be subject to tax as a result of such Defeasance;

(v) Borrower shall deliver to Lender a Rating Agency Confirmation as to the Defeasance;

(vi) a certificate from a firm of independent public accountants reasonably acceptable to Lender certifying that the Defeasance Collateral is sufficient to satisfy the provisions of Section 2.6.1(c)(i) above; and

(vii) intentionally omitted; and

(viii) such other certificates, documents or instruments as Lender may reasonably require.

2.6.2 Release of Property. Upon compliance with the requirements of Section 2.6.1, the Property shall be released from the Lien of the Mortgage and the other Loan Documents, and the Defeasance Collateral shall constitute the only collateral which shall secure the Note and all other obligations in connection therewith. Lender shall, at Borrower's expense, execute and deliver any agreements reasonably requested by Borrower to release the Lien of the Mortgage from the Property. Borrower, pursuant to the Defeasance Security Agreement, shall authorize and direct that the payments received from the Defeasance Collateral be made directly to Lender and applied to satisfy the Obligations or the obligations under the Note, as applicable, including payment in full of the Outstanding Principal Balance as of the Stated Maturity Date.

2.6.3 Successor Borrower. Upon the release of the Property in accordance with Section 2.6.2, Borrower may or, at the option of Lender, shall, assign all its obligations under the Note, together with the pledged Defeasance Collateral, to a single-purpose, bankruptcy-remote successor entity (under criteria established by the Rating Agencies) designated and/or established by Borrower and approved by Lender in its reasonable discretion. The approval right of Lender hereunder to approve the designation and/or establishment of such successor entity may, at the option and in the sole discretion of the initial named Lender hereunder, be retained by the initial named Lender hereunder notwithstanding any Secondary Market Transaction. Such successor entity shall execute an assumption agreement in form and substance satisfactory to Lender in its sole discretion pursuant to which it shall assume Borrower's obligations under the Note and the Defeasance Security Agreement and Borrower shall be relieved of its obligations under such documents other than those obligations which are specifically intended to survive the termination, satisfaction or assignment of this Agreement or the exercise of Lender's rights and remedies hereunder. As conditions to such assignment and assumption, Borrower shall (a) deliver to Lender an opinion from counsel, and in form and substance, in each case reasonably acceptable to Lender and acceptable to the Rating Agencies in their sole discretion stating, among other things, that such assumption agreement is enforceable against Borrower and such successor entity in accordance with its terms and that the Note, the Defeasance Security Agreement and the other Loan Documents, as and to the extent so assumed, are enforceable against such successor entity in accordance with their respective terms and (b) pay all reasonable costs and expenses incurred by Lender or its agents in connection with such assignment and assumption (including, without limitation, the review of the proposed transferee and the preparation of the assumption agreement and related documentation).

2.6.4 No Further Right to Prepay; Costs and Expenses. Upon the release of the Property in accordance with Section 2.6.2, Borrower shall have no further right to prepay the Note pursuant to the other provisions of this Section 2.6 or otherwise. Borrower shall pay all reasonable fees, costs and expenses incurred by Lender in connection with the Defeasance or otherwise required to accomplish the agreements set forth in this Section 2.6, including (a) reasonable attorneys' fees and expenses, (b) the fees, costs and expenses of the Rating Agencies, (c) any revenue, documentary stamp or intangible taxes or any other tax or charge due in connection with the transfer of the Note, and (iv) the fees, costs and expenses of Servicer and any trustee. Upon receipt of the notice described in Section 2.6.1(a) above, Lender shall notify Borrower of the amount reasonably determined by Lender to be sufficient to pay such fees, costs and expenses, which amount shall be used by Lender to pay such fees, costs and expenses if a

proposed Defeasance does not occur. Within five (5) Business Days of Borrower receiving such notification, Borrower shall pay such amount to Lender; provided, that, to the extent the deposits collected for the estimated fees, costs and expenses exceed the actual fees, costs and expenses, Borrower shall be entitled to receive the amount of such difference.

2.6.5 Assignment of Mortgage.

(a) If Borrower has specified in the notice delivered pursuant to Section 2.6.1(a) hereof that it desires to effectuate a Defeasance in a manner which will permit the assignment of the Note and the Mortgage to a new lender providing a portion of the funds necessary to acquire the Defeasance Collateral in order to save mortgage recording taxes, Borrower and Lender shall cooperate to effect such proposed assignment in the following manner: Lender shall assign the Note and the Mortgage, each without recourse, covenant or warranty of any nature, express or implied, to such new lender designated by Borrower (other than Borrower or a nominee of Borrower), provided that Borrower (i) has executed and delivered to such new lender a new note to be secured by the Defeasance Collateral pursuant to the Defeasance Security Agreement between Borrower and such new lender (such new note to have the same term, interest rate, unpaid principal balance and all other material terms and conditions of the Note), which new note, together with the Defeasance Security Agreement and the rights of such new lender in and to the Defeasance Collateral, shall be assigned by such new lender to Lender simultaneously with the assignment of the Note and the Mortgage by Lender and (ii) has complied with all other provisions of Section 2.6 hereof to the extent not inconsistent with this Section 2.6.5. In addition, any such assignment shall be conditioned on the following: (A) payment by Borrower of (1) Lender's then customary administrative fee for processing assignments of mortgage; and (2) the reasonable costs and expenses of Lender incurred in connection therewith (including attorneys' fees and expenses for the preparation, delivery and performance of such an assignment); (B) Borrower shall have caused the delivery of an executed Statement of Oath under Section 275 of the New York Real Property Law; (C) such new lender shall materially modify the Note such that it shall be treated as a new loan for federal tax purposes; (D) such an assignment is not then prohibited by any federal, state or local law, rule, regulation or order or by any Governmental Authority; (E) such assignment and the actions described above do not constitute a prohibited transaction for any REMIC Trust formed in connection with a Securitization and will not disqualify such REMIC Trust as a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code or subject such REMIC Trust to any tax as a result of such assignment and the Defeasance, and an opinion of counsel to Borrower to that effect is delivered to Lender in a form that would be satisfactory to a prudent lender; and (F) Borrower shall provide such other opinions, documents, items and information which a prudent lender would require to effectuate such assignment. Borrower shall be responsible for all mortgage recording taxes, recording fees and other charges payable in connection with any such assignment. Lender agrees that the assignment of the Note and the Mortgage to the new lender and the assignment of the new note, the Defeasance Collateral and the Defeasance Security Agreement by the new lender to Lender shall be accomplished by an escrow closing conducted through an escrow agent satisfactory to Lender and pursuant to an escrow agreement in form and substance satisfactory to Lender.

(b) Upon payment in full of all principal and interest due on the Loan and all other amounts due and payable under the Loan Documents in accordance with the terms and provisions of the Loan Documents, upon the written request and at the sole cost and expense of Borrower, Lender shall cooperate with Borrower to effect an assignment of the Note and the Mortgage to a new lender in the following manner: Lender shall assign the Note and the Mortgage, each without recourse, covenant or warranty of any nature, express or implied, to such new lender designated by Borrower (other than Borrower or a nominee of Borrower). In addition, any such assignment shall be conditioned on the following: (i) payment by Borrower of (A) Lender's then customary administrative fee for processing assignments of mortgage and (B) the reasonable costs and expenses of Lender incurred in connection therewith (including attorneys' fees and expenses for the preparation, delivery and performance of such an assignment); (ii) Borrower shall have caused the delivery of an executed Statement of Oath under Section 275 of the New York Real Property Law; (iii) such an assignment is not then prohibited by any federal, state or local law, rule, regulation or order or by any Governmental Authority; and (iv) Borrower shall provide such other opinions, documents, items and information which a prudent lender would require to effectuate such assignment. Borrower shall be responsible for all mortgage recording taxes, recording fees and other charges payable in connection with any such assignment. Lender agrees that the assignment of the Note and the Mortgage to the new lender shall be accomplished by an escrow closing conducted through an escrow agent satisfactory to Lender and pursuant to an escrow agreement in form and substance satisfactory to Lender.

Section 2.7 REMIC Test on Property Release. Notwithstanding anything to the contrary contained herein or in any other Loan Document, if the Loan is included in a REMIC Trust and (a) any portion of the Property is sought to be released from the Lien of the Mortgage, whether in connection with a Casualty or Condemnation or otherwise, and (b) immediately after any such release the ratio of the unpaid principal balance of the Loan to the value of the remaining Property (but, in the case of a Casualty or Condemnation, taking into account any proposed Restoration of the remaining Property) is greater than one hundred twenty-five percent (125%) (based solely on real property and excluding any personal property or going concern value) (such value to be determined, in Lender's sole discretion, by any commercially reasonable method permitted to a REMIC Trust), the Outstanding Principal Balance must first be paid down by a "qualified amount" as such term is defined in Internal Revenue Service Revenue Procedure 2010-30, as the same may be modified, supplemented, superseded or amended from time to time (regardless of whether Borrower or Lender actually receive or are entitled to receive any related Net Proceeds in the case of a Casualty or Condemnation), unless Lender receives an opinion of counsel that, if the foregoing prepayment is not made, the applicable REMIC Trust will neither fail to maintain its status as a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code or be subject to any tax, in either case, as a result of such release. If and to the extent the release is in connection with a Casualty or Condemnation, and if Borrower shall have otherwise satisfied each of the conditions to release of Net Proceeds as set forth in Section 5.3, only such amount of the Net Proceeds then held or controlled by Lender, if any, in excess of the "qualified amount" required to pay down the principal balance of the Loan may be released for purposes of Restoration or released as otherwise expressly provided in Section 5.3. Any prepayment made under this Section 2.7 shall be accompanied by payment of the Yield

Maintenance Premium, except that so long as no Event of Default shall have occurred and be continuing, no Yield Maintenance Premium shall be due in connection with any such prepayment made by reason of a release in connection with a Casualty or Condemnation.

ARTICLE 3:REPRESENTATIONS AND WARRANTIES

Section 3.1 Borrower Representations. Borrower represents and warrants to Lender that:

3.1.1 Organization. Borrower is duly organized, validly existing and in good standing with full power and authority to own its assets and conduct its business, and is duly qualified in all jurisdictions in which the ownership or lease of its property or the conduct of its business requires such qualification, except where the failure to be so qualified would not have a Material Adverse Effect, and Borrower has taken all necessary action to authorize the execution, delivery and performance of the Loan Documents by it, and has the power and authority to execute, deliver and perform under the Loan Documents and all the transactions contemplated by the Loan Documents.

3.1.2 Proceedings. The Loan Documents have been duly authorized, executed and delivered by Borrower and constitute a legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.1.3 No Conflicts. The execution and delivery of the Loan Documents by Borrower and the performance of its Obligations under the Loan Documents will not conflict with any provision of any law or regulation to which Borrower is subject, or conflict with, result in a breach of, or constitute a default under, any of the terms, conditions or provisions of any of Borrower's organizational documents or any agreement or instrument to which Borrower is a party or by which it is bound, or any order or decree applicable to Borrower, or result in the creation or imposition of any Lien on any of Borrower's assets or property (other than pursuant to the Loan Documents).

3.1.4 Litigation. There is no action, suit, proceeding or investigation pending or, to Borrower's knowledge, threatened against Borrower, any Guarantor, any Manager (to the extent the Borrower has actual knowledge thereof) or the Property in any court or by or before any other Governmental Authority which, if adversely determined, is reasonably likely to have a Material Adverse Effect.

3.1.5 Agreements. Borrower is not in default with respect to any order or decree of any court or any order, regulation or demand of any Governmental Authority, which default is reasonably likely to have a Material Adverse Effect. To Borrower's knowledge, Borrower is not in default in any material respect in the performance, observance or fulfillment

of any of the obligations, covenants or conditions contained in any Permitted Encumbrance or any other agreement or instrument to which it is a party or by which it or the Property is bound.

3.1.6 Consents. No consent, approval, authorization or order of any court or Governmental Authority is required for the execution, delivery and performance by Borrower of, or compliance by Borrower with, the Loan Documents or the consummation of the transactions contemplated hereby, other than those which have been obtained by Borrower.

3.1.7 Title. Borrower has good, marketable and insurable fee simple title to the real property comprising part of the Property and good title to the balance of the Property owned by it, free and clear of all Liens whatsoever except the Permitted Encumbrances. None of the Permitted Encumbrances, individually or in the aggregate, (a) materially interfere with the benefits of the security intended to be provided by the Loan Documents, (b) materially and adversely affect the value of the Property, (c) impair the use or operation of the Property, or (d) impair Borrower's ability to pay its Obligations in a timely manner. The Mortgage, when properly recorded in the appropriate records, together with any Uniform Commercial Code financing statements required to be filed in connection therewith, will create (i) a valid, first priority, perfected Lien on Borrower's interest in the Property, subject only to Permitted Encumbrances, and (ii) perfected security interests in and to, and perfected collateral assignments of, all personality (including the Leases), all in accordance with the terms thereof, in each case subject only to the Permitted Encumbrances. Based on the Title Insurance Policy, there are no mechanics', materialman's or other similar Liens or claims which have been filed for work, labor or materials affecting the Property and to Borrower's actual knowledge, which are or may become Liens prior to, or equal or coordinate with, the Lien of the Mortgage.

3.1.8 No Plan Assets. Borrower is not an "employee benefit plan," as defined in Section 3(3) of ERISA, subject to Title I of ERISA or Section 4975 of the Code, and none of the assets of Borrower constitutes or will constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101. Compliance by Borrower and Guarantor with the provisions hereof will not involve any Prohibited Transaction. Neither Guarantor nor Borrower has any pension, profit sharing, stock option, insurance or other arrangement or plan for employees covered by Title IV of ERISA, and no "Reportable Event" as defined in ERISA has occurred and is now continuing with respect to any such plan. The performance by Borrower of its obligations under the Loan Documents and Borrower's conducting of its operations do not violate any provisions of ERISA. In addition, (a) Borrower is not a "governmental plan" within the meaning of Section 3(32) of ERISA, (b) transactions by or with Borrower are not subject to any state statute or regulation regulating investments of, or fiduciary obligations with respect to, governmental plans within the meaning of Section 2(32) of ERISA which is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code currently in effect, which prohibit or otherwise restrict the transactions contemplated by this Agreement, and (c) none of Borrower, Guarantor or ERISA Affiliate is as of the date hereof, or has been at any time within the two (2) years preceding the date hereof, an employer required to contribute to any Multiemployer Plan or Multiple Employer Plan, or a "contributing sponsor" (as such term is defined in Section 4001 of ERISA) in any Multiemployer Plan or Multiple Employer Plan; and none of Borrower, Guarantor or any ERISA Affiliate has any contingent liability with respect to

any post-retirement “welfare benefit plan” (as such term is defined in ERISA) except as disclosed to Lender in writing.

3.1.9 Compliance. To Borrower's knowledge, and except as disclosed on the Survey or in the Zoning Report, Borrower and the Property and the use thereof comply in all material respects with all applicable Legal Requirements, including parking, building and zoning and land use laws, ordinances, regulations and codes. To Borrower's knowledge, and except as disclosed on the Survey or in the Zoning Report, Borrower is not in default or violation of any order, writ, injunction, decree or demand of any Governmental Authority, the violation of which is reasonably likely to have a Material Adverse Effect. There has not been committed by Borrower, or to Borrower's actual knowledge, any other Person in occupancy of or involved with the operation or use of the Property, any act or omission which may give any Governmental Authority the right to cause Borrower to forfeit the Property or any part thereof or any monies paid in performance of Borrower's Obligations under any of the Loan Documents. The Property is used exclusively for hotel and other appurtenant and related uses. Except as set forth in the Zoning Report, in the event that all or any part of the Improvements are destroyed or damaged, said Improvements can be legally reconstructed to their condition prior to such damage or destruction, and thereafter exist for the same use without violating any zoning or other ordinances applicable thereto and without the necessity of obtaining any variances or special permits. To the knowledge of Borrower, no legal proceedings are pending or threatened with respect to the zoning of the Property. Neither the zoning nor any other right to construct, use or operate the Property is in any way dependent upon or related to any property other than the Property. To Borrower's actual knowledge based upon the Zoning Report, the use being made of the Property is in conformity with the certificate of occupancy issued for the Property and all other restrictions, covenants and conditions affecting the Property.

3.1.10 Financial Information. All financial data, including the statements of cash flow and income and operating expense, that have been delivered by Borrower to Lender in respect of Borrower and to Borrower's knowledge, the Property (a) are true, complete and correct in all material respects, (b) accurately represent the financial condition of the Property as of the date of such reports, and (c) have been prepared in accordance with the Uniform System of Accounts and reconciled in accordance with GAAP throughout the periods covered, except as disclosed therein. Borrower does not have any contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments that are known to Borrower and reasonably likely to have a Material Adverse Effect, except as referred to or reflected in said financial statements. Since the date of the financial statements, there has been no material adverse change in the financial condition, operations or business of Borrower or to Borrower's knowledge, the Property from that set forth in said financial statements.

3.1.11 Condemnation. To Borrower's knowledge, no Condemnation or other proceeding has been commenced or is contemplated with respect to all or any portion of the Property or for the relocation of roadways providing access to the Property.

3.1.12 Easements; Utilities and Public Access. To Borrower's knowledge, easements, cross easements, licenses, air rights and rights-of-way or other similar property interests (collectively, "**Easements**"), if any, necessary for the full utilization of the Improvements for their intended purposes have been obtained, are described in the Title Insurance Policy and are in full force and effect without default thereunder. To Borrower's knowledge, and based upon the Survey, the Property has rights of access to public ways and is served by water, sewer, sanitary sewer and storm drain facilities adequate to service the Property for its intended uses. To Borrower's knowledge, except as disclosed in the Survey and the Title Insurance Policy, all public utilities necessary or convenient to the full use and enjoyment of the Property are located in the public right-of-way abutting the Property, and all such utilities are connected so as to serve the Property without passing over other property absent a valid easement. To Borrower's knowledge, and except as set forth in the Title Insurance Policy and Survey, all roads necessary for the use of the Property for its current purpose have been completed and dedicated to public use and accepted by all Governmental Authorities.

3.1.13 Separate Lots. The Property is comprised of one or more parcels which constitute separate tax lots and do not constitute a portion of any other tax lot not a part of the Property.

3.1.14 Taxes and Assessments. Based on the Title Policy, to Borrower's knowledge, all Taxes and governmental assessments owing in respect of the Property have been paid or an escrow of funds in an amount sufficient to cover such payments has been established hereunder. To Borrower's knowledge, there are no pending or proposed special or other assessments for public improvements or otherwise affecting the Property, nor are there any contemplated improvements to the Property that may result in such special or other assessments.

3.1.15 Enforceability. The Loan Documents are not subject to any right of rescission, set-off, counterclaim or defense by Borrower, including the defense of usury, nor would the operation of any of the terms of the Loan Documents, or the exercise of any right thereunder, render the Loan Documents unenforceable, and Borrower has not asserted any right of rescission, set-off, counterclaim or defense with respect thereto.

3.1.16 Assignment of Leases. The Assignment of Leases creates a valid assignment of, or a valid security interest in, certain rights under the Leases, subject only to a license granted to Borrower to exercise certain rights and to perform certain obligations of the lessor under the Leases, including the right to operate the Property. Except for the existing assignments of lease and rents currently of record, which will be terminated on the Closing Date, no Person other than Lender has any interest in or assignment of the Leases or any portion of the Rents due and payable or to become due and payable thereunder.

3.1.17 Insurance. Borrower has obtained and has delivered to Lender original certificates evidencing all of the Policies, with all premiums prepaid thereunder, reflecting the insurance coverages, amounts and other requirements set forth in this Agreement. To Borrower's knowledge, no claims are pending with respect to the Property under any of the Policies, and no

Person, including Borrower, has done, by act or omission, anything which would impair the coverage of any of the Policies.

3.1.18 Licenses. To Borrower's knowledge, all permits and approvals, including without limitation, certificates of occupancy and any applicable liquor license required by any Governmental Authority for the use, occupancy and operation of the Property in the manner in which the Property is currently being used, occupied and operated have been obtained and are in full force and effect.

3.1.19 Flood Zone. Except as set forth on the Survey, to Borrower's knowledge, none of the Improvements on the Property are located in an area identified by the Federal Emergency Management Agency as a special flood hazard area.

3.1.20 Physical Condition. Except as set forth in the Property Condition Report, to Borrower's knowledge, the Property, including all buildings, improvements, parking facilities, sidewalks, storm drainage systems, roofs, plumbing systems, HVAC systems, fire protection systems, electrical systems, equipment, elevators, exterior sidings and doors, landscaping, irrigation systems and all structural components, are in good condition, order and repair in all material respects; there exists no structural or other material defects or damages in the Property, whether latent or otherwise, and Borrower has not received written notice from any insurance company or bonding company of any defects or inadequacies in the Property, or any part thereof, which is reasonably likely to adversely affect the insurability of the same or cause the imposition of extraordinary premiums or charges thereon or of any termination or threatened termination of any policy of insurance or bond.

3.1.21 Boundaries. Except as set forth on the Survey, all of the Improvements which were included in determining the appraised value of the Property lie wholly within the boundaries and building restriction lines of the Property, and, except as set forth on the Survey, no improvements on adjoining properties encroach upon the Property, and, except as set forth on the Survey, no easements or other encumbrances affecting the Property encroach upon any of the Improvements, so as to affect the value or marketability of the Property, except those which are insured against by the Title Insurance Policy.

3.1.22 Leases. Borrower represents and warrants to Lender with respect to the Leases that, to Borrower's knowledge and except as disclosed to Lender in the tenant estoppel certificates: (a) the rent roll attached hereto as Schedule II is true, complete and correct and the Property is not subject to any Leases other than the Leases described in Schedule II, (b) the Leases identified on Schedule II are in full force and effect, there are no defaults thereunder by either party, and Borrower has not received any notice of termination with respect to any such Leases, (c) the copies of the Leases delivered to Lender are true and complete, and there are no oral agreements with respect thereto, (d) no Rent (including security deposits) has been paid more than one month in advance of its due date, (e) all work to be performed by Borrower under each Lease has been performed as required and has been accepted by the applicable Tenant, (f) any payments, free rent, partial rent, rebate of rent or other payments, credits, allowances or abatements required to be given by Borrower to any Tenant has already been received by such

Tenant, (g) the Tenants under the Leases have accepted possession and are in occupancy of, and are open for business and conducting normal business operations at, all of their respective demised premises, and are paying full, unabated rent under the Leases, (h) Borrower has delivered to Lender a true, correct and complete list of all security deposits made by Tenants at the Property which have not been applied (including accrued interest thereon), all of which are held by Borrower in accordance with the terms of the applicable Lease and applicable Legal Requirements, (i) each Tenant under a Lease is free from bankruptcy or reorganization proceedings, (j) no Tenant under any Lease (or any sublease) is an Affiliate of Borrower or any Guarantor, (k) intentionally omitted, (l) there are no brokerage fees or commissions due and payable in connection with the leasing of space at the Property, except as has been previously disclosed to Lender in writing, and no such fees or commissions will become due and payable in the future in connection with the Leases, including by reason of any extension of such Lease or expansion of the space leased thereunder, except as has previously been disclosed to Lender in writing, (m) Borrower has not assigned or pledged any of the Leases, the rents thereunder or any interest therein except to Lender, (n) except with respect to the Tenant known as Metro PCS and AT&T, no Tenant has a right to expand the premises demised under its Lease, (o) no Tenant or other Person has any option, right of first refusal or offer or any other similar right to purchase all or any portion of, or interest in, the Property, (p) except with respect to the Tenant known as Sprint, Metro PCS, Verizon, AT&T, and T-Mobile, no Tenant has the right to terminate its Lease prior to the expiration of the stated term thereof, except in the event of the destruction or condemnation of substantially all of the Property, (q) no Tenant has assigned its Lease or sublet all or any portion of the premises demised thereby, and (r) all existing Leases provide that the Tenant thereunder shall attorn to Lender and any purchaser at a foreclosure sale.

3.1.23 Filing and Recording Taxes. All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid under applicable Legal Requirements in connection with the transfer of the Property to Borrower have been paid or are being paid simultaneously herewith. All mortgage, mortgage recording, stamp, intangible or other similar tax required to be paid under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Loan Documents, including the Mortgage, have been paid or are being paid simultaneously herewith. All taxes and governmental assessments due and owing in respect of the Property have been paid, or an escrow of funds in an amount sufficient to cover such payments has been established hereunder or are insured against by the Title Insurance Policy.

3.1.24 Single Purpose. Borrower hereby represents and warrants to, and covenants with, Lender that since Borrower's creation, as of the date hereof and until such time as the Obligations shall be paid and performed in full, Borrower has complied with, is in compliance with, and shall comply with the requirements set forth on Schedule III attached hereto.

3.1.25 Tax Filings. To the extent required, Borrower has filed (or has obtained effective extensions for filing) all federal, state, commonwealth, district and local tax returns required to be filed and has paid or made adequate provision for the payment of all federal, state, commonwealth, district and local taxes, charges and assessments payable by Borrower.

Borrower believes that its tax returns (if any) properly reflect the income and taxes of Borrower for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit.

3.1.26 Solvency. Borrower (a) has not entered into the transaction or any Loan Document with the actual intent to hinder, delay, or defraud any creditor and (b) received reasonably equivalent value in exchange for its Obligations under the Loan Documents. Giving effect to the Loan, the fair saleable value of Borrower's assets exceeds and will, immediately following the making of the Loan, exceed Borrower's total liabilities, including subordinated, unliquidated, disputed and contingent liabilities. The fair saleable value of Borrower's assets is and immediately following the making of the Loan, will be greater than Borrower's probable liabilities, including the maximum amount of its contingent liabilities on its debts as such debts become absolute and matured. Borrower's assets do not and, immediately following the making of the Loan will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. Borrower does not intend to, and does not believe that it will, incur Indebtedness and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such Indebtedness and liabilities as they mature (taking into account the timing and amounts of cash to be received by Borrower and the amounts to be payable on or in respect of the obligations of Borrower).

3.1.27 Federal Reserve Regulations. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulations T, U or X of the Board of Governors of the Federal Reserve System or for any other purpose which would be inconsistent with such Regulations T, U or X or any other Regulations of such Board of Governors, or for any purposes prohibited by Legal Requirements or by the terms and conditions of the Loan Documents.

3.1.28 Organizational Chart. The organizational chart attached as Schedule IV hereto, relating to Borrower and certain Affiliates and other parties, is true, complete and correct on and as of the date hereof. No Person other than those Persons shown on Schedule IV have any ownership interest in, or right of Control, directly or indirectly, in Borrower.

3.1.29 Organizational Status. Borrower's exact legal name is: Waramaug Hauppauge LLC. Borrower is of the following organizational type (e.g., corporation, limited liability company): limited liability company, and the jurisdiction in which Borrower is organized is: Delaware. Borrower's Tax I.D. number is 81-3852878 and Borrower's Delaware Organizational I.D. number is 6150721.

3.1.30 Bank Holding Company. Borrower is not a "bank holding company" or a direct or indirect subsidiary of a "bank holding company" as defined in the Bank Holding Company Act of 1956, as amended, and Regulation Y thereunder of the Board of Governors of the Federal Reserve System.

3.1.31 No Casualty. The Improvements have suffered no material casualty or damage which has not been fully repaired and the cost thereof fully paid.

3.1.32 Purchase Options. Neither the Property nor any part thereof or interest therein are subject to any purchase options, rights of first refusal or offer to purchase or other similar rights in favor of third parties.

3.1.33 FIRPTA. Borrower is not a “foreign person” within the meaning of Sections 1445 or 7701 of the Code.

3.1.34 Illegal Activity. No portion of the Property will be purchased with proceeds of any illegal activity.

3.1.35 Investment Company Act. Borrower is not (a) an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended, or (b) subject to any other United States federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

3.1.36 Use of Property. The Property consists solely of hotel and related operations and is used for no other purpose.

3.1.37 Fiscal Year. Each fiscal year of Borrower commences on January 1.

3.1.38 No Other Financing. Borrower has not borrowed any funds which have not heretofore been repaid in full, except for the Loan.

3.1.39 Contracts.

(a) Borrower has not entered into, and is not bound by, any Major Contract which continues in existence, except those previously disclosed in writing to Lender.

(b) To Borrower’s actual knowledge, each of the Major Contracts is in full force and effect, there are no monetary or other material defaults by Borrower thereunder and, to the knowledge of Borrower, there are no monetary or other material defaults thereunder by any other party thereto. None of Borrower, nor to Borrower’s knowledge, any Manager or any other Person acting on Borrower’s behalf has given or received any notice of default under any of the Major Contracts that remains uncured or in dispute.

(c) To Borrower's knowledge, Borrower has delivered true, correct and complete copies of the Major Contracts (including all amendments and supplements thereto) to Lender.

(d) Except for the Asset Management Agreement, no Major Contract has as a party an Affiliate of Borrower. All fees and other compensation for services previously performed under the Management Agreements have been paid in full.

3.1.40 Full and Accurate Disclosure; No Change in Facts. All information submitted by or to Borrower's knowledge, on behalf of Borrower, Guarantor, and their respective

Affiliates to Lender and in all financial statements, rent rolls, reports, certificates and other documents submitted by Borrower or Guarantor in connection with the Loan or in satisfaction of the terms of the Loan Documents is true, correct and complete in all material respects. No statement of fact made by Borrower or any Affiliate of Borrower in any of the Loan Documents or in any written statement or document furnished by or on behalf of Borrower in connection with the Loan or pursuant to the Loan Documents, including, without limitation, any documentation submitted to Lender in connection with or pursuant to the Term Sheet, contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or therein not misleading. There is no fact presently known to Borrower which has not been disclosed to Lender which is reasonably likely to have a Material Adverse Effect, other than with regard to market risk inherent in projecting future operations, and there has been no material adverse change in any condition, fact or circumstance that is reasonably likely to make any of the information or statements of fact referenced above inaccurate, incomplete or otherwise misleading in any material respect or that otherwise could have a Material Adverse Effect.

3.1.41 Other Obligations and Liabilities. Borrower has no liabilities or other obligations that arose or accrued prior to the date hereof that, either individually or in the aggregate, is reasonably likely to have a Material Adverse Effect. Borrower has no known contingent liabilities.

3.1.42 Intentionally Omitted.

3.1.43 Intentionally Omitted.

3.1.44 Bankruptcy Filings. No petition in bankruptcy or insolvency has ever been filed or is pending against Borrower, Guarantor or any of their respective shareholders, partners, members or non-member managers that, directly or indirectly, own twenty percent (20%) or more of the legal, beneficial or economic interests in Borrower or Guarantor or are in Control of Borrower or Guarantor, and none of Borrower, Guarantor or any of their respective shareholders, partners, members or non-member managers that, directly or indirectly, own twenty percent (20%) or more of the legal, beneficial or economic interests in Borrower or Guarantor or are in Control of Borrower or Guarantor, has ever made an assignment for the benefit of creditors or taken advantage of any insolvency laws. None of Borrower, Guarantor or any of their respective shareholders, partners, members or non-member managers that, directly or indirectly, own twenty percent (20%) or more of the legal, beneficial or economic interests in Borrower or Guarantor or are in Control of Borrower or Guarantor, is contemplating either the filing of a petition under any federal, state, local or foreign bankruptcy or insolvency laws or the liquidation of all or a material portion of Borrower's or Guarantor's or such shareholder's, partner's, member's or non-member manager's assets or properties, and none of Borrower, Guarantor or any of their respective shareholders, partners, members or non-member managers that, directly or indirectly, own twenty percent (20%) or more of the legal, beneficial or economic interests in Borrower or Guarantor or are in Control of Borrower or Guarantor, has any knowledge of any Person contemplating the filing of any such petition against Borrower, Guarantor or any of their respective shareholders, partners, members or non-member managers

that, directly or indirectly, own twenty percent (20%) or more of the legal, beneficial or economic interests in Borrower or Guarantor or are in Control of Borrower or Guarantor.

3.1.45 Intentionally Omitted.

3.1.46 Management Agreement. The Management Agreements are in full force and effect and there is no default thereunder by any party thereto and no event has occurred that, with the passage of time and/or giving of notice, would constitute a default thereunder. The Asset Management Agreement was entered into on commercially reasonable terms.

3.1.47 Franchise Agreement. The Franchise Agreement is in full force and effect, there is no default thereunder by any party thereto and no event has occurred that, with the passage of time and/or giving of notice, would constitute a default thereunder and except as set forth in that certain Detailed Non-Compliance Report dated July 12, 2016 none of Borrower, Guarantor, any Manager or any of their respective Affiliates has received any written notice from Franchisor in connection with the due diligence for the acquisition of the Property that the hotel (a) has previously received low quality or customer satisfaction ratings, surveys or reports, (b) is not in compliance with Franchisor's brand standards or (c) has previously failed any franchise inspection report, or received any similar notice.

3.1.48 Personal Property. Borrower owns all personal property necessary to operate the Property in the manner it is currently operated.

Section 3.2 Survival of Representations; Reliance.

The representations and warranties set forth in Section 3.1 shall survive until the Obligations have been paid and performed in full. All representations, warranties, covenants and agreements made in this Agreement or the other Loan Documents by Borrower or any other Restricted Party shall be deemed to have been relied upon by Lender regardless of any investigation made by or on behalf of Lender either prior to or following the date hereof.

ARTICLE 4:BORROWER COVENANTS

Section 4.1 Borrower Affirmative Covenants. Borrower hereby covenants and agrees with Lender that throughout the Term:

4.1.1 Payment and Performance of Obligations. Borrower shall pay and otherwise perform the Obligations in accordance with the terms of this Agreement and the other Loan Documents.

4.1.2 Existence; Compliance with Legal Requirements. Borrower shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence, rights, licenses, permits and franchises and comply with all Legal Requirements applicable to it and the Property (the failure of which is likely to result in a Material Adverse Effect). There shall never be committed by Borrower, and Borrower shall never permit any other Person in occupancy of or involved with the operation or use of the Property to commit any

act or omission affording any Governmental Authority the right of forfeiture against the Property or any part thereof or any monies paid in performance of Borrower's obligations under the Loan Documents. Borrower covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture. Borrower shall at all times maintain, preserve and protect all franchises and trade names and preserve all the remainder of its property used or useful in the conduct of its business and shall keep the Property in good working order and repair, and from time to time make, or cause to be made, all reasonably necessary repairs, renewals, replacements, betterments and improvements thereto, all in compliance with and as more fully provided in the Loan Documents.

4.1.3 Taxes and Other Charges.

(a) Borrower shall pay all Taxes and Other Charges now or hereafter levied, assessed or imposed as the same become due and payable, and shall furnish to Lender receipts for the payment of the Taxes and the Other Charges prior to the date the same shall become delinquent (provided, however, that Borrower need not pay directly Taxes nor furnish such receipts for payment of Taxes to the extent that funds to pay for such Taxes have been deposited into the Tax Account pursuant to Section 6.3 hereof). Borrower shall not permit or suffer, and shall promptly discharge, any Lien or charge against the Property, and shall promptly pay for all utility services provided to the Property. After prior notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceeding, conducted in good faith and with due diligence, the amount or validity of any Taxes or Other Charges, provided that (a) no Default or Event of Default shall have occurred and be continuing; (b) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Borrower or the Property is subject and shall not constitute a default thereunder and such proceeding shall be conducted in accordance with all applicable Legal Requirements; (c) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled or lost; (d) Borrower shall promptly upon final determination thereof pay the amount of any such Taxes or Other Charges, together with all costs, interest and penalties which may be payable in connection therewith; (e) such proceeding shall suspend the collection of Taxes or Other Charges from the Property; and (f) Borrower shall deposit with Lender (except to the extent that funds to pay for such Taxes and Other Charges have been deposited with Lender) cash or other security as may be required in the proceeding, or as may otherwise be reasonably requested by Lender, to ensure the payment of any such Taxes or Other Charges, together with all interest and penalties thereon. Lender may pay over any such cash or other security held by Lender to the claimant entitled thereto at any time when, in the judgment of Lender, the entitlement of such claimant is established.

(b) Borrower has filed and shall, throughout the Term, file all federal, state, county, municipal, and city income and other tax returns required to have been filed by it and has paid all taxes and related liabilities which have become due pursuant to such returns or pursuant to any assessments received by it. Borrower has no knowledge of any basis for any additional assessment in respect of any such taxes and related liabilities for prior years.

4.1.4 Litigation. Borrower shall give in writing prompt notice to Lender of any litigation or governmental proceedings pending or threatened against Borrower, any Guarantor, the Property, or any Manager (to the extent Borrower has actual knowledge), of which is reasonably likely to have a Material Adverse Effect.

4.1.5 Access to Property. Borrower shall permit agents, representatives, consultants and employees of Lender to inspect the Property or any part thereof at reasonable hours upon reasonable advance notice (which may be given orally subject to the rights of Tenants under Leases). Lender or its agents, representatives, consultants and employees as part of any inspection may take soil, air, water, building material and other samples from the Property, subject to the rights of Tenants under Leases.

4.1.6 Further Assurances; Supplemental Mortgage Affidavits. Borrower shall, at Borrower's sole cost and expense:

(a) execute and deliver to Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect the collateral at any time securing or intended to secure the Obligations, as Lender may reasonably require (including, without limitation, the execution and delivery of all such writings necessary to transfer any liquor licenses (to the extent maintained by Borrower), with respect to the Property into the name of Lender or its designee after the occurrence of an Event of Default); and

(b) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the intents and purposes of the Loan Documents, as Lender shall reasonably require from time to time.

4.1.7 Financial Reporting.

(a) Borrower shall keep and maintain or shall cause to be kept and maintained proper and accurate books and records, in accordance with the Uniform System of Accounts and reconciled in accordance with GAAP, reflecting the financial affairs of Borrower. Lender shall have the right from time to time during normal business hours upon reasonable notice (which may be given orally) to Borrower to examine such books and records at the office of Borrower or other Person maintaining such books and records and to make such copies or extracts thereof as Lender shall desire. After the occurrence of and during the continuance of an Event of Default, Borrower shall pay any costs incurred by Lender to examine such books, records and accounts, as Lender shall determine to be necessary or appropriate in the protection of Lender's interest.

(b) Borrower shall furnish Lender annually, within ninety (90) days following the end of each Fiscal Year, a complete copy of Borrower's annual financial statements prepared by Borrower and in accordance with the Uniform System of Accounts and reconciled in accordance with GAAP covering the Property, including statements of income and expense and cash flow for Borrower and the Property and a balance sheet for Borrower. Such statements shall set forth Gross Revenue, Operating Expenses, Net Operating Income and Net

Cash Flow for the Property and occupancy statistics for the Property. Borrower's annual financial statements shall be accompanied by (i) a current rent roll for the Property and (ii) an Officer's Certificate of an authorized officer of Borrower certifying (A) that such annual financial statement is true, correct, accurate and complete and fairly presents the financial condition and the results of operations of Borrower and the Property and (B) whether to the best of Borrower's knowledge there exists an event or circumstance which constitutes a Default or Event of Default by Borrower under the Loan Documents and if such Default or Event of Default exists, the nature thereof, the period of time it has existed and the action then being taken to remedy the same.

(c) Borrower shall furnish Lender on or before the forty-fifth (45th) day after the end of each calendar quarter throughout the Term, the following items, accompanied by an Officer's Certificate executed by an authorized officer of Borrower certifying (i) that such items attached to such certificate are true, correct, accurate and complete and fairly present the financial condition and results of the operations of Borrower and the Property, and (ii) whether to the best of Borrower's knowledge there exists an event or circumstance which constitutes a Default or Event of Default by Borrower under the Loan Documents and if such Default or Event of Default exists, the nature thereof, the period of time it has existed and the action then being taken to remedy the same:

(i) quarterly and year-to-date statements of income and expense and cash flow for such quarter with respect to the Property, with a balance sheet for such quarter for Borrower, prepared in accordance with the Uniform System of Accounts and reconciled in accordance with GAAP;

(ii) upon the occurrence of and during the continuance of a Cash Management Trigger Event Period, a comparison of the budgeted income and expenses as set forth in the Approved Annual Budget and the actual income and expenses for such quarter and year to date for the Property, together with a detailed explanation of any variances of more than five percent (5%) between budgeted and actual amounts for such quarter and year to date;

(iii) a calculation reflecting the Debt Service Coverage Ratio as of the last day of such quarter, for such quarter and the last four (4) quarters;

(iv) a current rent roll for the Property; and

(v) an occupancy report for the subject quarter, including an average daily rate as well as room revenues, and annual averages of the same.

(d) Borrower shall furnish Lender on or before the thirtieth (30th) day after the end of each calendar month the following items, accompanied by an Officer's Certificate of executed by an authorized officer of Borrower certifying (i) that such items attached to such certificate are true, correct, accurate and complete and fairly present the financial condition and results of the operations of Borrower and the Property whether to the best of Borrower's knowledge there exists an event or circumstance which constitutes a Default or Event of Default by Borrower under the Loan Documents and if such Default or Event of Default

exists, the nature thereof, the period of time it has existed and the action then being taken to remedy the same, and (ii) whether to the best of Borrower's knowledge there exists an event or circumstance which constitutes a Default or Event of Default by Borrower under the Loan Documents and if such Default or Event of Default exists, the nature thereof, the period of time it has existed and the action then being taken to remedy the same:

(i) until the occurrence of a Securitization, monthly and year-to-date statements of income and expense and cash flow for such month with respect to the Property, with a balance sheet for such month for Borrower, prepared in accordance with the Uniform System of Accounts and reconciled in accordance with GAAP;

(ii) upon the occurrence of and during the continuance of a Cash Management Trigger Event Period and thereafter until the occurrence of a Securitization, a comparison of the budgeted income and expenses as set forth in the Approved Annual Budget and the actual income and expenses for such month and year to date for the Property, together with a detailed explanation of any variances of more than five percent (5%) between budgeted and actual amounts for such month and year to date;

(iii) until the occurrence of a Securitization, a current rent roll for the Property; and

(iv) (A) the most current Smith Travel Research Reports in the form of Exhibit A hereto then available to Borrower reflecting market penetration and relevant hotel properties competing with the Property, (B) any franchise inspection reports received by Borrower, Guarantor, any Manager or any of their respective Affiliates during such month, (C) any notice from Franchisor that the hotel (1) has received low quality or customer satisfaction ratings, surveys or reports, (2) is not in compliance with Franchisor's brand standards or (3) has failed any franchise inspection report, or any similar notice in each case received by Borrower, Guarantor, any Manager or any of their respective Affiliates during such month, and (D) until the occurrence of a Securitization, an occupancy report for the subject month, including an average daily rate.

(e) Borrower shall submit to Lender the Annual Budget thirty (30) days prior to the succeeding Fiscal Year. After an Event of Default or during a Cash Management Trigger Event Period, Lender shall have the right to approve each Annual Budget (which approval shall not be unreasonably withheld or delayed) and Annual Budgets approved by Lender (to the extent required under this Section 4.17(e)) shall hereinafter be referred to as an "**Approved Annual Budget**". In the event that Borrower seeks reimbursement from the Operating Expense Funds held by Lender pursuant to Section 6.8 for an extraordinary operating expense or extraordinary capital expenditure that was not set forth in the Approved Annual Budget then in effect (each an "**Extraordinary Expense**"), then Borrower shall promptly deliver to Lender a reasonably detailed explanation of such proposed Extraordinary Expense for Lender's approval. Until such time that any Annual Budget has been approved by Lender, the prior Approved Annual Budget shall apply for all purposes hereunder, except in connection with Lender's determination of Adjusted Operating Expenses for purposes of calculating

Underwritten Net Cash Flow; provided that, such Approved Annual Budget shall be adjusted to reflect actual increases in Taxes, Other Charges, Insurance Premiums and utility charges, and all other expenses shall be adjusted by the CPI.

(f) Borrower shall furnish to Lender, within five (5) Business Days after written request (or as soon thereafter as may be reasonably possible), such further detailed information with respect to the operation of the Property and the financial affairs of Borrower as may be reasonably requested by Lender.

4.1.8 Title to the Property. Borrower shall warrant and defend the validity and priority of the Liens of the Mortgage and the Assignment of Leases on the Property against the claims of all Persons whomsoever, subject only to the Permitted Encumbrances.

4.1.9 Estoppe Statement.

(a) Each party hereunder shall, within ten (10) Business Days following a written request of the other party hereto, furnish a statement, duly acknowledged and certified, stating (i) the Outstanding Principal Balance of the Note, (ii) the Interest Rate, (iii) the date installments of interest and/or principal were last paid, and (iv) in the case of a statement furnished by Borrower, any offsets or defenses to the payment and performance of the Obligations.

(b) Borrower shall use commercially reasonable efforts to deliver to Lender, upon written request, an estoppel certificate from each Tenant under any Lease in form and substance reasonably satisfactory to Lender; provided that such certificate may be in the form required under such Lease; and further, that Borrower shall not be required to deliver such certificates more frequently than one (1) time in any calendar year (unless otherwise required in connection with a Securitization or if an Event of Default shall have occurred and be continuing).

4.1.10 Leases.

(a) All Major Leases and all modifications, amendments and renewals of Major Leases executed after the date hereof shall be subject to Lender's prior written approval; provided, however, modifications, amendments and renewals of Major Lease that contain the same or terms more beneficial to Borrower and Lender than the initial Major Lease shall not require Lender's consent. Lender shall execute and deliver its standard form of subordination, non-disturbance and attornment agreement to Tenants under any future Major Lease approved by Lender promptly upon request, with such commercially reasonable changes as may be requested by such Tenants, and which are reasonably acceptable to Lender. Borrower shall pay Lender's costs and expenses in connection with any such subordination, non-disturbance and attornment agreement, including, without limitation, reasonable legal fees and expenses.

(b) Borrower (i) shall observe and perform the obligations imposed upon the lessor under the Leases in a commercially reasonable manner; (ii) shall

enforce the terms, covenants and conditions contained in the Leases upon the part of the Tenants thereunder to be observed or performed in a commercially reasonable manner; provided, however, Borrower shall not terminate, waive or accept a surrender of a Major Lease without Lender's prior written approval; (iii) shall not collect any of the Rents more than one month in advance (other than security deposits); (iv) shall not execute any assignment of lessor's interest in the Leases or the Rents (except as contemplated by the Loan Documents); (v) shall not alter, modify or change any Major Lease so as to change the amount of or payment date for rent, change the expiration date, grant any option for additional space or term, materially reduce the obligations of the Tenant or increase the obligations of the lessor or waive any such provision of such Major Lease; and (vi) shall promptly furnish to Lender any written notice of default or termination received by Borrower from any Tenant, and any written notice of default or termination given by Borrower to any Tenant. Borrower further agrees to provide Lender with notice of a Tenant "going dark" under its Lease or a Tenant delivering notice of its intent to "go dark", promptly after obtaining knowledge thereof. Upon request, Borrower shall promptly furnish Lender with executed copies of all Leases and a statement of all Tenant security or other deposits.

(c) To the extent Borrower enters into a Lease, all security deposits of Tenants, whether held in cash or any other form, shall be held in accordance with Legal Requirements. After the occurrence of a Cash Management Trigger Event, Borrower shall, upon Lender's request, if permitted by applicable Legal Requirements, cause all such security deposits (and any interest theretofore earned thereon) to be transferred into the Cash Management Account (which shall then be held by the Cash Management Bank in a separate Account), which shall be held by the Cash Management Bank subject to the terms of the Leases. Any bond or other instrument which Borrower is permitted to hold in lieu of cash security deposits under any applicable Legal Requirements (i) shall be maintained in full force and effect in the full amount of such deposits unless replaced by cash deposits as hereinabove described, (ii) shall be issued by an institution reasonably satisfactory to Lender, (iii) shall, if permitted pursuant to any Legal Requirements, name Lender as payee or mortgagee thereunder (or at Lender's option, be fully assignable to Lender), and (iv) shall in all respects comply with any applicable Legal Requirements and otherwise be satisfactory to Lender. Borrower shall, upon request, provide Lender with evidence satisfactory to Lender of Borrower's compliance with the foregoing.

4.1.11 Alterations. Lender's prior written approval shall be required in connection with (a) any alterations to any Improvements (i) that are reasonably likely to have a Material Adverse Effect, (ii) that are reasonably likely to adversely affect any structural component or the exterior of any Improvements or any utility or HVAC system at the Property, or (iii) the cost of which (including any related alteration, improvement or replacement) is reasonably anticipated to exceed the Alteration Threshold or (b) any alteration to any Improvements during the continuance of an Event of Default (any of the foregoing, a "**Material Alteration**"). If the total unpaid amounts incurred and to be incurred with respect to such Material Alteration to the Improvements shall at any time exceed the Alteration Threshold, Borrower shall promptly deliver to Lender as security for the payment of such amounts and as additional security for Borrower's Obligations under the Loan Documents any of the following:

(1) cash, (2) a Letter of Credit, (3) U.S. Obligations, or (4) other securities acceptable to Lender, provided that, to the extent applicable, Lender shall have received a Rating Agency Confirmation as to the form and issuer of same. Such security shall be in an amount equal to the excess of the total unpaid amounts incurred and to be incurred with respect to such alterations to the Improvements (other than such amounts to be paid or reimbursed by Tenants under the Leases) over the Alteration Threshold. Upon substantial completion of any Material Alteration, Borrower shall provide evidence satisfactory to Lender that (i) the Material Alteration was constructed in accordance with applicable Legal Requirements, (ii) all contractors, subcontractors, materialmen and professionals who provided work, materials or services in connection with the Material Alteration have been paid in full and have delivered unconditional releases of liens, and (iii) all material licenses and permits necessary for the use, operation and occupancy of the Material Alteration (other than those which depend on the performance of tenant improvement work) have been issued.

4.1.12 Approval of Major Contracts. Borrower shall be required to obtain Lender's prior written approval of any and all Major Contracts affecting the Property, which approval may be granted or withheld in Lender's sole but reasonable discretion.

4.1.13 After Acquired Property. Borrower shall grant to Lender a first lien security interest in and to all equipment and other personal property owned by Borrower, whether or not used in the construction, maintenance and/or operation of the Improvements, immediately upon acquisition of same or any part of same.

4.1.14 Patriot Act. Borrower shall comply with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction over Borrower and/or the Property, including those relating to money laundering and terrorism. Lender shall have the right to audit Borrower's compliance with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction over Borrower and/or the Property, including those relating to money laundering and terrorism. In the event that Borrower fails to comply with the Patriot Act or any such requirements of Governmental Authorities, then Lender may, at its option, cause Borrower to comply therewith and any and all costs and expenses incurred by Lender in connection therewith shall be secured by the Mortgage and the other Loan Documents and shall be immediately due and payable.

4.1.15 Special Purpose. Borrower shall at all times comply with the requirements set forth on Schedule III attached hereto and shall not take or permit any action that would result in Borrower not being in compliance with the representations, warranties and covenants set forth in Section 3.1.24 and Schedule III attached hereto.

4.1.16 Intentionally Omitted.

4.1.17 Major Contracts. Borrower shall promptly (i) diligently perform and observe all of the terms, covenants and conditions to be performed and observed by it under each Major Contract to which it is a party, and do all things necessary to preserve and keep unimpaired its rights thereunder, (ii) notify Lender of any notice of default received by Borrower given by any party under any Major Contract and deliver to Lender a true copy of each such

notice, and (iii) enforce the performance and observance of all of the terms, covenants and conditions required to be performed and/or observed by the other party to each Major Contract and to which Borrower is a party in a commercially reasonable manner.

4.1.18 PIP Work. Subject to Section 6.12 and Schedule IX, all PIP Work shall be completed in the timeframes required by Franchisor and completed in a workmanlike manner in accordance with the standards and requirements of the Franchisor.

4.1.19 Environmental Covenant. Borrower shall (i) comply with the monitoring and sampling requirements of the SPDES Discharge Permit and shall engage a licensed environmental professional to conduct such required monitoring and sampling and (ii) upon Lender's reasonable request, shall provide copies of all reports and notices sent or received from the NYSDEC with respect to such monitoring and sampling.

4.1.20 Required Repairs. Borrower shall perform the repairs and other work at the Property as set forth on Schedule V attached hereto (such repairs and other work hereinafter referred to as "**Required Repairs**") and shall complete each of the Required Repairs on or before the respective deadline for each repair as set forth on Schedule V.

Section 4.2 Borrower Negative Covenants. Borrower covenants and agrees with Lender that throughout the Term:

4.2.1 Due on Sale and Encumbrance; Change of Control; Transfers of Interests.

Except to the extent permitted pursuant to Article 8 hereof, neither Borrower nor any other Restricted Party shall, without the prior written consent of Lender (a) sell, transfer, convey, mortgage, grant, bargain, encumber, pledge, assign, alienate, lease (except to Tenants under Leases that are not in violation of Section 4.1.10 hereof), grant any option with respect to or grant any other interest in the Property or any part thereof or interest therein, including any legal, beneficial, economic or voting interest in Borrower or any other Restricted Party, whether directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise or (b) permit or suffer any change in Control of such Restricted Party to occur (each of (a) and (b), a "**Transfer**"). A Transfer within the meaning of this Section 4.2.1 shall be deemed to include (i) an installment sales agreement wherein Borrower agrees to sell the Property or any part thereof or interest therein for a price to be paid in installments; (ii) an agreement by Borrower for the leasing of all or a substantial part of the Property for any purpose other than the actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases or any Rents; (iii) if Borrower or any other Restricted Party is a corporation, the voluntary or involuntary sale, conveyance or transfer of such corporation's stock (or the stock of any corporation directly or indirectly Controlling such corporation by operation of law or otherwise) or the creation or issuance of new stock such that such corporation's stock shall be vested in a party or parties who are not now stockholders; (iv) if Borrower or any other Restricted Party is a limited or general partnership, joint venture or limited liability company, the change, removal, resignation or addition of a general partner, managing partner, limited partner, joint venturer, member or non-member manager, the voluntary or involuntary sale, conveyance or transfer of the partnership

interest of any general partner, managing partner or limited partner, the creation or issuance of new partnership interests, the voluntary or involuntary sale, conveyance or transfer of the interest of any joint venturer, member or non-member manager or the creation or issuance of new membership interests or interests in any non-member manager; (v) if Borrower or any other Restricted Party is a trust or nominee trust, the voluntary or involuntary sale, conveyance or transfer of the legal or beneficial interest in such trust or nominee trust or the creation or issuance of new legal or beneficial interests; and (vi) the change, removal, resignation or addition of any manager agent (other than a Manager) of Borrower or any other Restricted Party.

4.2.2 Liens. Except as otherwise approved by Lender or permitted pursuant to the Loan Documents, Borrower shall not create, incur, assume or permit to exist any Lien on any direct or indirect interest in Borrower or any portion of the Property except for Permitted Encumbrances.

4.2.3 Dissolution. Borrower shall not (a) engage in any dissolution, liquidation or consolidation or merger with or into any other business entity, (b) engage in any business activity not related to the ownership and operation of the Property, (c) transfer, lease or sell, in one transaction or any combination of transactions, all or substantially all of the property or assets of Borrower except to the extent expressly permitted by the Loan Documents.

4.2.4 Change in Use. Borrower shall not change the current use of the Property in any material respect.

4.2.5 Debt Cancellation. Borrower shall not cancel or otherwise forgive or release any claim or debt (other than the termination of Leases in accordance herewith) owed to Borrower by any Person, except on commercially reasonable terms and in the ordinary course of Borrower's business.

4.2.6 Intentionally Omitted.

4.2.7 Zoning. Borrower shall not initiate or consent to any zoning reclassification of any portion of the Property or seek any variance under any existing zoning ordinance or use or permit the use of any portion of the Property in any manner that is reasonably likely to result in such use becoming a non-conforming use under any zoning ordinance or any other applicable land use law, rule or regulation, without the prior written consent of Lender.

4.2.8 Intentionally omitted.

4.2.9 No Joint Assessment. Borrower shall not suffer, permit or initiate the joint assessment of the Property (a) with any other real property constituting a tax lot separate from the Property and (b) with any portion of the Property which may be deemed to constitute personal property, or any other procedure whereby the Lien of any taxes which may be levied against such personal property shall be assessed or levied or charged to the Property.

4.2.10 Principal Place of Business. Borrower shall not change its principal place of business from the address set forth on the first page of this Agreement without first giving Lender thirty (30) days prior written notice.

4.2.11 Change of Name, Identity or Structure. Borrower shall not change Borrower's name, identity (including its trade name or names) or, if not an individual, Borrower's corporate, partnership or other structure without notifying Lender of such change in writing at least thirty (30) days prior to the effective date of such change and, in the case of a change in Borrower's structure, without first obtaining the prior written consent of Lender. Prior to or contemporaneously with the effective date of any such change, Borrower shall take all action required by Lender, including, without limitation, executing (if necessary) and delivering to Lender any financing statement or financing statement change in order to establish or maintain the validity, perfection and priority of the lien and security interest granted herein and in the other Loan Documents. Borrower shall promptly notify Lender in writing of any change in its organizational identification number. If Borrower does not now have an organizational identification number and later obtains one, Borrower shall promptly notify Lender in writing of such organizational identification number. At the request of Lender, Borrower shall execute a certificate in form satisfactory to Lender listing the trade names under which Borrower intends to operate the Property, and representing and warranting that Borrower does business under no other trade name with respect to the Property.

4.2.12 Intentionally Omitted.

4.2.13 ERISA.

(a) Borrower shall not engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Lender of any of its rights under the Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under ERISA or Section 4975 of the Code.

(b) Borrower shall deliver to Lender such certifications or other evidence from time to time throughout the Term, as requested by Lender in its sole discretion, that (i) Borrower is not and does not maintain an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, or a "governmental plan" within the meaning of Section 3(3) of ERISA; (ii) Borrower is not subject to state statutes regulating investments and fiduciary obligations with respect to governmental plans; and (iii) one or more of the following circumstances is true:

(i) Equity interests in Borrower are publicly offered securities, within the meaning of 29 C.F.R §2510.3-101(b)(2);

(ii) Less than twenty-five percent (25%) of each outstanding class of equity interests in Borrower are held by "benefit plan investors" within the meaning of 29 C.F.R §2510.3-101(f)(2); or

(iii) Borrower qualifies as an “operating company” or a “real estate operating company” within the meaning of 29 C.F.R §2510.3-101(c) or (e).

4.2.14 Compliance with Restrictive Covenants, Etc. Borrower shall not modify, waive in any material respect or release any easements, restrictive covenants or other Permitted Encumbrances, or suffer, consent to or permit the foregoing, without Lender’s prior written consent, which consent may be granted or denied in Lender’s sole but reasonable discretion.

4.2.15 Embargoed Person.

(a) At all times, throughout the Term, including after giving effect to any Transfers, (i) none of the funds or other assets of Borrower or any Guarantor shall constitute property of, or shall be beneficially owned, directly or indirectly, by any Person subject to trade restrictions under United States law, including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq.*, The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq.*, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (PATRIOT Act) of 2001 and any Executive Orders or regulations promulgated thereunder, each as may be amended from time to time, with the result that the investment in Borrower, Key Principal or any Guarantor, as applicable (whether directly or indirectly), would be prohibited by law (each, an “**Embargoed Person**”), or the Loan made by Lender would be in violation of law, (ii) no Embargoed Person shall have any interest of any nature whatsoever in Borrower, Key Principal or any Guarantor, as applicable, with the result that the investment in Borrower, Key Principal or any Guarantor, as applicable (whether directly or indirectly), would be prohibited by law or the Loan would be in violation of law, and (iii) none of the funds of Borrower, Key Principal or any Guarantor, as applicable, shall be derived from any unlawful activity with the result that the investment in Borrower, Key Principal or any Guarantor, as applicable (whether directly or indirectly), would be prohibited by law or the Loan would be in violation of law. If Borrower discovers a breach of this Section 4.2.15 with respect to indirect owners who are not the Key Principal, Borrower shall have the right to cure such breach by removing such party from the ownership structure of Borrower within ten (10) days after knowledge thereof.

(b) Neither Borrower nor, to Borrower’s knowledge, any owner of a direct or indirect interest in Borrower (i) is listed on any Government Lists, (ii) is a person who has been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of the Office of Foreign Assets Control (“OFAC”) or in any enabling legislation or other Presidential Executive Orders in respect thereof, (iii) has been previously indicted for or convicted of any felony involving a crime or crimes of moral turpitude which is reasonably likely to have a Material Adverse Effect or for any Patriot Act Offense, or (iv) is currently under investigation by any Governmental Authority for alleged criminal activity. For purposes hereof, the term “**Patriot Act Offense**” means any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary

instruments, including any offense under (A) the criminal laws against terrorism; (B) the criminal laws against money laundering, (C) the Bank Secrecy Act, as amended, (D) the Money Laundering Control Act of 1986, as amended, or (E) the Patriot Act. “**Patriot Act Offense**” also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense. For purposes hereof, the term “**Government Lists**” means (1) the Specially Designated Nationals and Blocked Persons Lists maintained by OFAC, (2) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC that Lender notified Borrower in writing is now included in “**Government Lists**”, or (3) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other Government Authority or pursuant to any Executive Order of the President of the United States of America that Lender notified Borrower in writing is now included in “**Government Lists**”.

4.2.16 Intentionally omitted

4.2.17 Matters Concerning Leases. Borrower shall not enter any new Lease that would violate any exclusive use or other restrictions contained in any existing Leases, or amend or modify any existing Lease to permit any use or occupancy that would violate any exclusive use or other restrictions contained in any existing Lease.

ARTICLE 5:INSURANCE, CASUALTY AND CONDEMNATION

Section 5.1 Insurance.

5.1.1 Insurance Policies.

(a) Unless otherwise agreed to by Lender in its sole and absolute discretion, Borrower, at its sole cost and expense, shall obtain and maintain during the entire Term, or cause to be maintained, insurance policies for Borrower and the Property providing at least the following coverages:

(i) property insurance against loss or damage by fire, wind (including named storms), lightning and such other perils as are included in a standard “all risk” or “special form” policy, including riot and civil commotion, vandalism, terrorist acts, malicious mischief, burglary and theft, in each case (A) in an amount equal to one hundred percent (100%) of the “Full Replacement Cost” of the Property, which for purposes of this Agreement shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) waiving depreciation. The Full Replacement Cost must be adjusted annually to reflect increased value due to inflation. If this is not provided, Inflation Guard Coverage shall be required; (B) written on a no co-insurance form or containing an agreed amount endorsement with respect to the Improvements and, if applicable, personal property at the Property waiving all co-insurance provisions; (C) providing for no deductible in excess of \$25,000.00 (except for deductibles for windstorm and earthquake coverage, which deductibles may be up to five percent (5%) of the total insurable value of the Property set forth in the Policy); and (D) containing “Ordinance or Law Coverage” if any of the Improvements or the use of the Property shall at any time constitute legal non-conforming structures or uses, including

coverage for Loss to the Undamaged Portion, Demolition Costs and Increased Cost of Construction, all in amounts acceptable to Lender. In addition, Borrower shall obtain: (y) if any portion of the Improvements is currently or at any time in the future located in a federally designated "special flood hazard area", flood hazard insurance in an amount equal to the maximum amount of such insurance available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended or such greater amount as Lender shall require; and (z) earthquake insurance in amounts and in form and substance satisfactory to Lender in the event the Property is located in an area with a high degree of seismic activity, provided that the insurance pursuant to clauses (y) and (z) hereof shall be on terms consistent with the comprehensive all risk insurance policy required under this subsection (i);

(ii) commercial general liability insurance, including a broad form comprehensive general liability endorsement and coverages against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Property, such insurance (A) to be on the so-called "occurrence" form and containing minimum limits per occurrence of One Million and No/100 Dollars (\$1,000,000.00), with a combined limit per policy year, excluding umbrella coverage, of not less than Two Million and No/100 Dollars (\$2,000,000.00) applying "per location" if the policy covers more than one location; (B) to continue at not less than the aforesaid limit until required to be changed by Lender by reason of changed economic conditions making such protection inadequate; and (C) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations on an "if any" basis; (3) independent contractors; (4) contractual liability for all insured contracts; and (5) contractual liability covering the indemnities contained in Article 8 of the Mortgage to the extent the same is available;

(iii) rental loss and/or business income interruption insurance (A) with loss payable to Lender; (B) covering all risks required to be covered by the insurance provided for in subsection (i) above, subsections (iv) (if applicable), subsection (vi), subsection (x) and Section 5.1.1(h) below; (C) containing an extended period of indemnity endorsement which provides the continued loss of income shall be insured until such income either returns to the same level it was at prior to the loss, or the expiration of six (6) months from the date that the Property is repaired or replaced and operations are resumed, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period; and (D) in an amount equal to one hundred percent (100%) of the projected Gross Revenue from the Property for a period of twelve (12) months from the date of the Casualty. The amount of such business income insurance shall be determined prior to the date hereof and at least once each year thereafter based on Borrower's reasonable estimate of the Gross Revenue from the Property for the succeeding twelve (12) month period. Subject to Section 5.2.3(b), all proceeds payable to Lender pursuant to this subsection shall be held by Lender and shall be applied to the Obligations secured by the Loan Documents from time to time due and payable hereunder and under the Note; provided, however, that nothing herein contained shall be deemed to relieve Borrower of its Obligations to pay the Debt on the respective dates of payment provided for in the Loan Documents except to the extent such amounts are actually paid out of the proceeds of such business income insurance;

(iv) at all times during which structural construction, repairs or alterations are being made with respect to the Improvements, and only if the property and liability insurance coverage forms do not otherwise apply, coverage all in form and substance and with limits, terms and conditions acceptable to Lender including (A) commercial general liability and umbrella insurance covering claims related to the construction, repairs or alterations being made which are not covered by or under the terms or provisions of the commercial general liability and umbrella liability insurance policies required in this Section 5.1.1(a); and (B) the insurance provided for in subsection (i) above written in a so-called builder's risk completed value form, including coverage for one hundred percent (100%) of the total insurable costs of construction (1) on a non-reporting basis, (2) against all risks insured against pursuant to subsections (i), (iii), (vi), (x) and Section 5.1.1(h), (3) including permission to occupy the Property, and (4) with an agreed amount endorsement waiving co-insurance provisions;

(v) workers' compensation, subject to the statutory limits of the State in which the Property is located, and employer's liability insurance with limits which are required from time to time by Lender in respect of any work or operations on or about the Property, or in connection with the Property or its operation (if applicable);

(vi) boiler and machinery/equipment breakdown insurance in amounts as shall be reasonably required by Lender on terms consistent with the commercial property insurance Policy required under subsection (i) above (if applicable);

(vii) umbrella liability insurance in addition to primary coverage in an amount not less than Five Million and No/100 Dollars (\$5,000,000.00) per occurrence on terms consistent with the commercial general liability insurance policy required under subsection (ii) and, if applicable, the Policies required in subsection (v) above and (viii) below;

(viii) commercial auto liability coverage for all owned and non-owned vehicles, including rented and leased vehicles containing minimum limits per occurrence, including umbrella coverage, with limits which are required from time to time by Lender (if applicable);

(ix) insurance against employee dishonesty in an amount not less than one month of Gross Revenue from the Property and with a deductible not greater than Ten Thousand and No/100 Dollars (\$10,000.00) (if applicable); and

(x) upon sixty (60) days' notice, such other insurance and in such amounts as Lender from time to time may request against such other insurable hazards which at the time are commonly insured against for properties similar to the Property located in or around the region in which the Property is located.

(b) All insurance provided for in Section 5.1.1(a) shall be obtained under valid and enforceable policies (collectively, the "**Policies**" or in the singular, the "**Policy**") and shall be subject to the approval of Lender as to form and substance including

deductibles, loss payees and insureds. Not less than ten (10) days prior to the expiration dates of the Policies theretofore furnished to Lender, certificates of insurance and, if requested by Lender, other documentation, in each case acceptable to Lender evidencing the Policies, accompanied by evidence satisfactory to Lender of payment of the premiums then due thereunder (the “**Insurance Premiums**”), shall be delivered by Borrower to Lender.

(c) Any blanket insurance Policy shall be subject to Lender’s approval and shall provide the same protection as would a separate Policy insuring only the Property in compliance with the provisions of Section 5.1.1(a). Lender shall have determined based on a review of the schedule of locations and values that the amount of such coverage is sufficient in light of the other risks and properties insured under the blanket policy.

(d) All Policies of insurance provided for or contemplated by Section 5.1.1(a) shall name Borrower as a named insured and, in the case of liability coverages (except for the Policies referenced in Sections 5.1.1(a)(v) and (viii)) shall name Lender and its successors and/or assigns as the additional insured, as its interests may appear, and in the case of property insurance coverages, including but not limited to boiler and machinery, terrorism, flood and earthquake insurance, shall contain a standard non-contributing mortgagee/lender’s loss payable clause in favor of Lender providing that the loss thereunder shall be payable to Lender. Additionally, if Borrower obtains property insurance coverage in addition to or in excess of that required by Section 5.1.1(a)(i), then such insurance policies shall also contain a standard non-contributing mortgagee/lender’s loss payable clause in favor of Lender providing that the loss thereunder shall be payable to Lender.

(e) All property insurance Policies provided for in Section 5.1.1(a) shall:

(i) provide that no act or negligence of Borrower or any other insured under the Policy, or failure to comply with the provisions of any Policy, which might otherwise result in a forfeiture of the insurance or any part thereof, or foreclosure or similar action, shall in any way affect the validity or enforceability of the insurance insofar as Lender is concerned;

(ii) provide that the Policy shall not be canceled without at least thirty (30) days’ written notice to Lender, except ten (10) days’ notice for non-payment of Insurance Premiums and, if obtainable by Borrower using commercially reasonable efforts, shall not be materially changed (other than to increase the coverage provided thereby) without such a thirty (30) day notice; and

(iii) not contain any provision that would make Lender liable for any Insurance Premiums thereon or subject to any assessments thereunder, except that Lender is permitted to make payments to effect the contribution of such Policy upon notice of cancellation due to non-payment of Insurance Premiums pursuant to the mortgagee clause required herein.

(f) If at any time Lender is not in receipt of written evidence that all insurance required hereunder is in full force and effect, or Borrower shall fail to deliver certificates of insurance and, if requested by Lender, other documentation evidencing the Policies, evidence of payment and any other information required by Section 5.1.1(b), no less than ten (10) days prior to the expiration date of any Policies, Lender shall have the right, without notice to Borrower, to take such action as Lender deems necessary to protect its interest in the Property, including the obtaining of such insurance coverage as Lender in its sole discretion deems appropriate and all Insurance Premiums incurred by Lender in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Borrower to Lender upon demand and until paid shall be secured by the Mortgage and shall bear interest at the Default Rate. Borrower shall promptly forward to Lender a copy of each written notice received by Borrower of any modification, reduction or cancellation of any of the Policies or of any of the coverages afforded under any of the Policies.

(g) In the event of foreclosure of the Mortgage or other transfer of title to the Property in extinguishment in whole or in part of the Obligations, all right, title and interest of Borrower in and to the Policies that are not blanket Policies then in force concerning the Property and all proceeds payable thereunder shall thereupon vest in the purchaser at such foreclosure or Lender or other transferee in the event of such other transfer of title.

(h) If any of the all-risk/special form property, rental loss and/or business interruption, commercial general liability or umbrella Policies include any exclusions for loss, cost, damage or liability caused by "terrorism" or "terrorist acts", Borrower shall obtain and maintain terrorism coverage to cover such exclusion(s) from a carrier which otherwise satisfies the rating criteria specified in Section 5.1.2 (a "**Qualified Carrier**") or, in the event that such terrorism coverage is not available from a Qualified Carrier, Borrower shall obtain such terrorism coverage from the highest rated insurance company providing such terrorism coverage.

5.1.2 Insurance Company. All Policies required pursuant to Section 5.1.1(a) (a) shall be issued by companies authorized to do business in the State with a financial strength and claims paying ability rating of at least A:X from A.M. Best Company or "A" or better by S&P; (b) shall, with respect to the property, rental loss and/or business interruption, commercial general liability and umbrella Policies, contain a waiver of subrogation against Lender; (c) shall contain such provisions as Lender deems reasonably necessary or desirable to protect its interest including endorsements providing that neither Borrower, Lender nor any other party shall be a co-insurer under said Policies; and (d) shall be satisfactory in form and substance to Lender and shall be approved by Lender as to amounts, form, risk coverage, deductibles, loss payees and insureds. Certified copies of the Policies shall be delivered to Lender, at 345 Park Avenue, 8th Floor, New York, New York 10154, Attention: Kelly Porcella, on the date hereof with respect to the current Policies and within thirty (30) days after the effective date thereof with respect to all renewal Policies; provided, however, that if certified copies of the current Policies are not available on the date hereof, Borrower shall deliver to Lender on the date hereof documentation acceptable to Lender evidencing such Policies and shall deliver to Lender certified copies of such Policies within ten (10) days after such Policies are available. Borrower shall pay the Insurance

Premiums annually in advance as the same become due and payable and shall furnish to Lender evidence of the renewal of each of the Policies with receipts for the payment of the Insurance Premiums or other evidence of such payment reasonably satisfactory to Lender (provided, however, that Borrower shall not be required to pay such Insurance Premiums nor furnish such evidence of payment to Lender in the event that the amounts required to pay such Insurance Premiums have been deposited into the Insurance Account pursuant to Section 6.4 hereof). In addition to the insurance coverages described in Section 5.1.1(a) above, Borrower shall obtain such other insurance as may from time to time be reasonably required by Lender in order to protect its interests. Within thirty (30) days after request by Lender, Borrower shall obtain such increases in the amounts of coverage required hereunder as may be reasonably requested by Lender, taking into consideration changes in the value of money over time, changes in liability laws, changes in prudent customs and practices, and the like.

Section 5.2 Casualty and Condemnation.

5.2.1 Casualty. If the Property shall sustain a Casualty, Borrower shall give prompt notice of such Casualty to Lender and shall promptly commence, or cause to commence and diligently prosecute, or cause to prosecute to completion the repair and restoration of the Property as nearly as possible to the condition the Property was in immediately prior to such Casualty (a “**Restoration**”) and otherwise in accordance with Section 5.3, regardless of whether Insurance Proceeds are available or made available, it being understood, however, that Borrower shall not be obligated to restore the Property to the precise condition of the Property prior to such Casualty provided the Property is restored, to the extent practicable, to be of at least equal value and of substantially the same character as prior to the Casualty. Borrower shall pay all costs of such Restoration whether or not such costs are covered by insurance. Lender may, but shall not be obligated to, submit proof of loss if not submitted promptly by Borrower. In the event of a Casualty where the loss does not exceed the Restoration Threshold, Borrower may settle and adjust such claim; provided that (a) no Event of Default has occurred and is continuing, and (b) such adjustment is carried out in a commercially reasonable and timely manner. In the event of a Casualty where the loss exceeds the Restoration Threshold or if an Event of Default then exists, Borrower may settle and adjust such claim only with the prior written consent of Lender (which consent shall not be unreasonably withheld or delayed) and Lender shall have the opportunity to participate, at Borrower’s cost, in any such adjustments; provided, however, if Borrower fails to settle and adjust such claim within sixty (60) days after the Casualty, Lender shall have the right to settle and adjust such claim at Borrower’s cost and without Borrower’s consent. Notwithstanding any Casualty, Borrower shall continue to pay the Debt at the time and in the manner provided for its payment in the Note and in this Agreement.

5.2.2 Condemnation. Borrower shall give Lender prompt notice of any actual or threatened Condemnation by any Governmental Authority of all or any part of the Property and shall deliver to Lender a copy of any and all papers served in connection with such proceedings. Provided no Event of Default has occurred and is continuing, in the event of a Condemnation where the amount of the taking does not exceed the Restoration Threshold, Borrower may settle and compromise such Condemnation; provided that the same is effected in a commercially reasonable and timely manner. In the event a Condemnation where the amount of the taking

exceeds the Restoration Threshold or if an Event of Default then exists, Borrower may settle and compromise the Condemnation only with the prior written consent of Lender (which consent shall not be unreasonably withheld or delayed) and Lender shall have the opportunity to participate, at Borrower's cost, in any litigation and settlement discussions in respect thereof and Borrower shall from time to time deliver to Lender all instruments requested by Lender to permit such participation. Borrower shall, at its expense, diligently prosecute any such proceedings, and shall consult with Lender, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings. Notwithstanding any Condemnation, Borrower shall continue to pay the Debt at the time and in the manner provided for its payment in the Note and in this Agreement. Lender shall not be limited to the interest paid on the Award by any Governmental Authority but shall be entitled to receive out of the Award interest at the rate or rates provided herein or in the Note. If the Property or any portion thereof is taken by any Governmental Authority, Borrower shall promptly commence and diligently prosecute the Restoration of the Property, regardless of whether an Award is available or made available, and otherwise comply with the provisions of Section 5.3. If the Property is sold, through foreclosure or otherwise, prior to the receipt by Lender of the Award, Lender shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive the Award, or a portion thereof sufficient to pay the Debt.

5.2.3 Casualty Proceeds.

(a) Subject to Section 5.2.3(b), payments received on account of the business interruption insurance specified in Subsection 5.1.1(a)(iii) above, to the extent received by Borrower, shall be deposited directly into the Casualty and Condemnation Account. Notwithstanding the last sentence of Section 5.1.1(a)(iii) above, and provided that no Event of Default shall have occurred and be continuing, proceeds received by Lender on account of business or rental interruption or other loss of income insurance specified in Section 5.1.1(a)(iii) above shall be (a) during the continuance of a Cash Management Trigger Event Period, deposited by Lender into the Cash Management Account (in installments relating to the relevant period) to the extent such proceeds (or a portion thereof) reflect a replacement for lost Rents for the relevant period, as determined by Lender in good faith, and such proceeds shall be applied by Lender in accordance with Section 6.11 hereof or (b) provided that no Cash Management Trigger Event Period shall be continuing, held by Lender and disbursed to Borrower (in installments relating to the relevant period) to the extent such proceeds (or a portion thereof) reflect a replacement for lost Rents for the relevant period, as determined by Lender in good faith. All other such proceeds not reflecting a replacement for lost Rents shall be held by Lender and disbursed in accordance with Section 5.3 hereof.

(b) Notwithstanding anything to the contrary contained herein, if in connection with a Casualty any insurance carrier makes a payment under a property insurance Policy that Borrower proposes be treated as business or rental interruption insurance, then, notwithstanding any designation (or lack of designation) by the insurance carrier as to the purpose of such payment, as between Lender and Borrower, such payment shall not be treated as business or rental interruption Insurance Proceeds unless Borrower has demonstrated to Lender's satisfaction that the remaining Net Proceeds that will be received from the property insurance

carriers are sufficient to pay one hundred percent (100%) of the cost of fully restoring the Improvements (less the amount of any deductible) or, if such Net Proceeds are to be applied repay the Loan in accordance with the terms hereof, that such remaining Net Proceeds will be sufficient to pay off the Loan in full.

Section 5.3 Delivery of Net Proceeds.

5.3.1 Minor Casualty or Condemnation. If a Casualty or Condemnation has occurred to the Property and the Net Proceeds shall be less than the Restoration Threshold and the costs of completing the Restoration shall be less than the Restoration Threshold, and provided no Event of Default shall have occurred and be continuing, and that the condition in Section 2.7 hereof has been satisfied, the Net Proceeds will be disbursed by Lender to Borrower. Promptly after receipt of the Net Proceeds, Borrower shall commence and satisfactorily complete with due diligence the Restoration in accordance with the terms of this Agreement. If any Net Proceeds are received by Borrower and may be retained by Borrower pursuant to the terms hereof, such Net Proceeds shall, until completion of the Restoration, be held for the benefit of Lender and shall be separately designated from other funds of Borrower to be used to pay for the cost of Restoration in accordance with the terms hereof.

5.3.2 Major Casualty or Condemnation.

(a) If a Casualty or Condemnation has occurred to the Property and the Net Proceeds are equal to or greater than the Restoration Threshold or the costs of completing the Restoration is equal to or greater than the Restoration Threshold, Lender shall make the Net Proceeds available for the Restoration, provided that each of the following conditions precedent are satisfied:

(i) no Event of Default shall have occurred and be continuing;

(ii) (A) in the event the Net Proceeds consists of Insurance Proceeds received in connection with a Casualty, then (1) less than thirty percent (30%) of the total floor area of the Improvements at the Property has been damaged, destroyed or rendered unusable as a result of such Casualty and (2) Legal Requirements permit the restoration of the damaged, destroyed or unusable Improvements at the Property to the same configuration, room count and occupancy that existed immediately preceding such Casualty or (B) in the event the Net Proceeds are an Award received in connection with a Condemnation, then less than fifteen percent (15%) of the land constituting the Property is taken, and such land is located along the perimeter or periphery of the Property, and no portion of the Improvements is the subject of such Condemnation;

(iii) Intentionally omitted;

(iv) the Franchise Agreement and the Management Agreements shall remain in full force and effect during and after completion of the Restoration, notwithstanding the occurrence of such Casualty or Condemnation;

- (v) Intentionally omitted;
- (vi) Borrower shall commence (which shall be deemed to mean the engagement of architects, engineers or other related professional necessary for the Restoration) the Restoration as soon as reasonably practicable (but in no event later than sixty (60) days after obtaining the necessary permits in connection with such Casualty or Condemnation, whichever the case may be, occurs) and shall diligently pursue the same to satisfactory completion;
- (vii) Lender shall be reasonably satisfied that any operating deficits and all payments of principal and interest under the Note will be paid during the period required for Restoration from (A) the Net Proceeds, or (B) other funds of Borrower;
- (viii) Lender shall be satisfied that the Restoration will be completed on or before the earliest to occur of (A) the date three (3) months prior to the Stated Maturity Date, (B) such time as may be required under applicable Legal Requirements in order to repair and restore the Property to the condition it was in immediately prior to such Casualty or Condemnation, as applicable, or (C) the expiration of the insurance coverage referred to in Section 5.1.1(a)(iii), without giving effect to any extended period of indemnity endorsement in respect of such coverage;
- (ix) the Property and the use thereof after the Restoration will be in compliance with and permitted under all applicable Legal Requirements;
- (x) the Restoration shall be done and completed by Borrower in an expeditious and diligent fashion and in compliance with all applicable Legal Requirements;
- (xi) such Casualty or Condemnation, as applicable, does not result in the loss of permanent access to the Property or the related Improvements;
- (xii) Borrower shall deliver to Lender a signed, detailed budget approved in writing by Borrower's architect or engineer stating the entire cost of completing the Restoration, which budget shall be reasonably acceptable to Lender;
- (xiii) the Net Proceeds, together with any cash or cash equivalent deposited by Borrower with Lender are sufficient in Lender's reasonable discretion to cover the cost of the Restoration;
- (xiv) the Debt Service Coverage Ratio (which shall be calculated by Lender utilizing the relevant period of time prior to such Casualty or Condemnation), after giving effect to the Restoration, shall not be less than 1.40 to 1.00;
- (xv) intentionally omitted; and

(xvi) the condition set forth in Section 2.7 hereof shall have been satisfied.

(b) The Net Proceeds shall be paid directly to Lender for deposit into the Casualty and Condemnation Account and, until disbursed in accordance with the provisions of this Section 5.3.2, shall constitute additional security for the Obligations. The Net Proceeds shall be disbursed by Lender to, or as directed by, Borrower from time to time during the course of the Restoration, upon receipt of evidence satisfactory to Lender that (i) all requirements set forth in Section 5.3.2(a) have been satisfied, (ii) all materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested disbursement) in connection with the Restoration have been paid for in full, and (iii) there exist no notices of pendency, stop orders, mechanics' or materialman's liens or notices of intention to file same, or any other liens or encumbrances of any nature whatsoever on the Property arising out of the Restoration which have not either been fully bonded to the satisfaction of Lender and discharged of record or in the alternative fully insured to the satisfaction of Lender by the title company issuing the Title Insurance Policy.

(c) All plans and specifications required in connection with the Restoration shall be subject to the prior written approval of Lender and an independent architect selected by Lender which consent shall not be unreasonably withheld, conditional or delayed (the "**Casualty Consultant**"). The plans and specifications shall require that the Restoration be completed in a first-class workmanlike manner at least equivalent to the quality and character of the original work in the Improvements (provided, however, that in the case of a partial Condemnation, the Restoration shall be done to the extent reasonably practicable after taking into account the consequences of such partial Condemnation), so that upon completion thereof, the Property shall be at least equal in value and general utility to the Property prior to the Casualty or Condemnation, as applicable; it being understood, however, that Borrower shall not be obligated to restore the Property to the precise condition of the Property prior to such Casualty or Condemnation, as applicable, provided the Property is restored, to the extent practicable, to be of at least equal value and of substantially the same character as prior to the Casualty or Condemnation, as applicable. Borrower shall restore all Improvements such that when they are fully restored and/or repaired, such Improvements and their contemplated use fully comply with all applicable material Legal Requirements. The identity of the contractors, subcontractors and materialmen engaged in the Restoration, as well as the contracts under which they have been engaged, with respect to items and/or contracts of \$50,000.00 or greater, shall be subject to the approval of Lender and the Casualty Consultant. All reasonable costs and expenses incurred by Lender in connection with recovering, holding and advancing the Net Proceeds for the Restoration, including reasonable attorneys' fees and disbursements and the Casualty Consultant's fees and disbursements, shall be paid by Borrower.

(d) In no event shall Lender be obligated to make disbursements of the Net Proceeds in excess of an amount equal to the costs actually incurred from time to time for work in place as part of the Restoration, as certified by the Casualty Consultant, less the Casualty Retainage. The term "**Casualty Retainage**" shall mean, as to each contractor, subcontractor or materialman engaged in the Restoration, an amount equal to ten

percent (10%) of the costs actually incurred for work in place as part of the Restoration, as certified by the Casualty Consultant, until the Restoration has been completed. The Casualty Retainage shall in no event, and notwithstanding anything to the contrary set forth above in this Section 5.3.2(d), be less than the amount actually held back by Borrower from contractors, subcontractors and materialmen engaged in the Restoration. The Casualty Retainage shall not be released until the Casualty Consultant certifies to Lender that the Restoration has been completed in accordance with the provisions of this Article 5 and that all approvals necessary for the re-occupancy and use of the Property have been obtained from all appropriate Governmental Authorities, and Lender receives evidence satisfactory to Lender that the costs of the Restoration have been paid in full or will be paid in full out of the Casualty Retainage; provided, however, that Lender shall release the portion of the Casualty Retainage being held with respect to any contractor, subcontractor or materialman engaged in the Restoration as of the date upon which (i) the Casualty Consultant certifies to Lender that such contractor, subcontractor or materialman has satisfactorily completed all work and has supplied all materials in accordance with the provisions of such contractor's, subcontractor's or materialman's contract, (ii) the contractor, subcontractor or materialman delivers the lien waivers and evidence of payment in full of all sums due to the contractor, subcontractor or materialman as may be reasonably requested by Lender or by the title company issuing the Title Insurance Policy, and (iii) Lender receives an endorsement to the Title Insurance Policy insuring the continued priority of the Lien of the Mortgage and evidence of payment of any premium payable for such endorsement. If required by Lender, the release of any such portion of the Casualty Retainage shall be approved by the surety company, if any, which has issued a payment or performance bond with respect to the contractor, subcontractor or materialman.

(e) Lender shall not be obligated to make disbursements of the Net Proceeds more frequently than once every calendar month.

(f) If at any time the Net Proceeds or the undisbursed balance thereof shall not, in the opinion of Lender in consultation with the Casualty Consultant, be sufficient to pay in full the balance of the costs which are estimated by the Casualty Consultant to be incurred in connection with the completion of the Restoration, Borrower shall deposit the deficiency (the "**Net Proceeds Deficiency**") with Lender (for deposit into the Casualty and Condemnation Account) before any further disbursement of the Net Proceeds shall be made. The Net Proceeds Deficiency deposited with Lender shall be deposited by Lender into the Casualty and Condemnation Account and shall be disbursed for costs actually incurred in connection with the Restoration on the same conditions applicable to the disbursement of the Net Proceeds, and until so disbursed pursuant to this Section 5.3.2 shall constitute additional security for the Obligations.

(g) Provided no Event of Default shall have occurred and be continuing, the excess, if any, of the Net Proceeds and the remaining balance, if any, of the Net Proceeds Deficiency deposited with Lender after the Casualty Consultant certifies to Lender that the Restoration has been completed in accordance with the provisions of this Section 5.3.2, and the receipt by Lender of evidence satisfactory to Lender that all costs incurred in connection with the Restoration have been paid in full, shall be disbursed to Borrower, unless a Cash

Management Trigger Event Period shall be continuing, in which event such excess shall be deposited into the Cash Management Account to be applied in accordance with Section 6.11.1; provided, however, the amount of such excess so disbursed in the case of a Condemnation shall not exceed the amount of Net Proceeds Deficiency deposited by Borrower with the balance being applied to the Debt in the manner provided for in subsection 5.3.2(h).

(h) All Net Proceeds not required (i) to be made available for the Restoration or (ii) to be returned to Borrower as excess Net Proceeds pursuant to Section 5.3.2(g) may be retained and applied by Lender toward the payment of the Debt, whether or not then due and payable, in such order, priority and proportions as Lender in its sole discretion shall deem proper.

Section 5.4 Casualty or Condemnation Prepayment. Notwithstanding any provision herein to the contrary, if following a Casualty or Condemnation Lender elects to apply the Net Proceeds against the Debt, and such application does not satisfy the amount of the Debt in its entirety, Borrower shall have the right to prepay the remaining amount of the Debt (the “**Casualty or Condemnation Prepayment**”) provided the following conditions are satisfied in Lender’s reasonable discretion:

(a) Borrower notifies Lender of its intent to cause the Casualty or Condemnation Prepayment within thirty (30) days of notice of Lender’s intent to apply the Net Proceeds against the Debt, the Casualty or Condemnation Prepayment occurs no later than three (3) months following the date of receipt of notice of Lender’s intent to apply the Net Proceeds against the Debt, and Borrower delivers written notice to Lender at least thirty (30) days prior to the consummation of the Casualty or Condemnation Prepayment;

(b) In the event that an Event of Default has occurred and is continuing as of the date of the Casualty or Condemnation Prepayment, Borrower shall pay as part of the Casualty or Condemnation Prepayment the amounts required to be paid pursuant to Sections 2.3.3 and 2.4.3; and

(c) Borrower shall pay for all reasonable out-of-pocket costs and expenses incurred by Lender in connection with such Casualty or Condemnation Prepayment.

If such prepayment occurs on a date other than a Monthly Payment Date, such Casualty or Condemnation Prepayment shall include interest that would have accrued on such amounts through the next Monthly Payment Date. Except as set forth in subsection (b) of this Section 5.4, no Yield Maintenance Premium shall be due in connection with any Casualty or Condemnation Prepayment made pursuant to this Section 5.4.

ARTICLE 6:CASH MANAGEMENT AND RESERVE FUNDS

Section 6.1 Cash Management Arrangements.

Borrower shall cause all Rents and other Gross Revenue other than payments received on account of the business interruption insurance specified in Subsection 5.1.1(a)(iii), which shall be governed by Section 5.2.3) to be transmitted by (a) credit card clearing banks with which Borrower or Manager has entered into agreements for the clearance of credit card receipts (collectively, “**Credit Card Banks**”) and credit card companies with which Borrower or Manager has entered into merchants agreements (collectively, “**Credit Card Companies**”) and (b) any Tenants of the Property directly into a trust account (the “**Clearing Account**”) established and maintained by Borrower at a local bank selected by Borrower and reasonably approved by Lender (the “**Clearing Bank**”) as more fully described in the Clearing Account Agreement. Without in any way limiting the foregoing, Borrower shall instruct and shall continuously hereafter instruct each of the Credit Card Banks and the Credit Card Companies that all credit card receipts with respect to the Property (net of any expenses charged for such processing) cleared by such Credit Card Banks or Credit Card Companies, as applicable, shall be transferred by such Credit Card Banks or Credit Card Companies, as applicable, by wire transfer or the ACH System to the Clearing Bank for deposit in the Clearing Account pursuant to an instruction letter in the form of Exhibit C hereto (a “**Credit Card Bank Payment Direction Letter**”) or Exhibit D hereto (a “**Credit Card Company Payment Direction Letter**”), as applicable, and shall notify and advise each Tenant under each Lease (whether such Lease is presently effective or executed after the date hereof) to send directly to the Clearing Account all payments of Rent pursuant to an instruction letter in the form of Exhibit B attached hereto (a “**Tenant Direction Letter**”). Borrower hereby represents and warrants that Borrower has delivered or caused to be delivered a Tenant Direction Letter to each Tenant under each presently effective Lease. Borrower hereby represents and warrants that Borrower has delivered or caused to be delivered Credit Card Bank Payment Direction Letters and Credit Card Payment Direction Letters to each of the Credit Card Banks and Credit Card Companies, as applicable, and a Tenant Direction Letter to each Tenant under each presently effective Lease. If, notwithstanding the provisions of this Section 6.1, Borrower or any Manager receive any Gross Revenue from the Property, then (i) such amounts shall be deemed to be collateral for the Obligations and shall be held in trust for the benefit, and as the property, of Lender, (ii) such amounts shall not be commingled with any other funds or property of Borrower or any Manager, and (iii) Borrower or Manager shall deposit such amounts in the Clearing Account within one Business Day of receipt.

Funds deposited into the Clearing Account shall be swept by the Clearing Bank on a daily basis into Borrower’s operating account, unless a Cash Management Trigger Event Period shall be continuing, in which event Lender shall deliver a Cash Management Activation Notice to the Clearing Bank directing such funds to be swept on a daily basis into an Eligible Account at the Cash Management Bank controlled by Lender (the “**Cash Management Account**”) and applied and disbursed in accordance with this Agreement and the Cash Management Agreement. Promptly following the end of any Cash Management Trigger Event Period, Lender shall deliver a Cash Management Deactivation Notice to the Clearing Bank directing the Clearing Bank to

deposit any funds deposited into the Clearing Account following receipt of such Cash Management Deactivation Notice on a daily basis into Borrower's operating account. Funds in the Cash Management Account may be invested in Permitted Investments, as more particularly set forth in the Cash Management Agreement. As an alternative to establishing each Account required pursuant to the terms of this Agreement as a separate Eligible Account, Lender may also establish or cause to be established subaccounts of the Cash Management Account or the other Accounts described herein which shall at all times be Eligible Accounts (and may be ledger or book entry accounts and not actual accounts) whereupon all provisions of this Agreement referring to (i) any Account shall be deemed to apply instead to the corresponding subaccount and (ii) the Accounts generally shall be deemed to apply instead to the Cash Management Account or any other Account described herein. The Clearing Account, the Cash Management Account and all other Accounts shall be under the sole control and dominion of Lender, and Borrower shall have no right of withdrawal therefrom. Borrower shall pay for all expenses of opening and maintaining all of the above accounts. In the event of a resignation by Clearing Bank, Borrower shall, promptly after receipt of notice of such resignation, designate a successor to Clearing Bank, which successor shall be subject to the reasonable approval of Lender, cause the execution of a replacement Clearing Account Agreement in form and substance satisfactory to Lender and deliver Credit Card Bank Payment Direction Letters and Credit Card Company Payment Direction Letters to the Credit Card Banks and/or Credit Card Companies, as applicable, and Tenant Direction Letters to any Tenants. Upon payment and satisfaction in full of the Obligations, Lender shall cause the Cash Management Agreement and the Clearing Account Agreement to be terminated as well as the Cash Management Account and Clearing Account to be closed.

Section 6.2 Debt Service Account. . On the Closing Date, Borrower shall deposit or cause to be deposited with or on behalf of Lender the amount of Fifty Nine Thousand Four Hundred Seventy Seven and 80/100 Dollars (\$59,477.80) (the "First Debt Service Payment") which shall be transferred by or at the direction of Lender into an Account established to hold such funds (the "Debt Service Account"). Provided no Event of Default shall have occurred and be continuing, Lender shall, or shall direct Servicer to, apply the First Debt Service Payment to the Monthly Debt Service Payment due on the Monthly Payment Date occurring on January 6, 2017. Amounts deposited from time to time into the Debt Service Account are referred to as the "Debt Service Funds".

Section 6.3 Tax Funds.

6.3.1 Deposits of Tax Funds. Borrower shall deposit or cause to be deposited with or on behalf of Lender (a) on the Closing Date, the amount of Two Hundred Ninety Six Thousand Six Hundred Forty Five and 63/100 Dollars (\$296,645.63) and (b) on each Monthly Payment Date, an amount equal to one-twelfth of the Taxes that Lender reasonably estimates will be payable during the next ensuing twelve (12) months in order to accumulate sufficient funds to pay all such Taxes at least ten (10) days prior to their respective due dates, which amounts shall be transferred by or at the direction of Lender into an Account established to hold such funds (the "**Tax Account**"). Amounts deposited from time to time into the Tax Account pursuant to this Section 6.3.1 are referred to herein as the "**Tax Funds**". If at any time, Lender

reasonably determines that the Tax Funds will not be sufficient to pay the Taxes, Lender shall notify Borrower of such determination and the monthly deposits for Taxes shall be increased by the amount that Lender estimates is sufficient to make up the deficiency at least ten (10) days prior to the respective due dates for the Taxes; provided that if Borrower receives notice of any deficiency after the date that is ten (10) days prior to the date that Taxes are due, Borrower will deposit with or on behalf of Lender, such amount within two (2) Business Days after its receipt of such notice.

6.3.2 Release of Tax Funds. Provided no Event of Default shall have occurred and be continuing, Lender shall, or shall direct Servicer to, apply the Tax Funds, if any, in the Tax Account to payments of Taxes. In making any payment relating to Taxes, Lender may do so according to any bill, statement or estimate procured from the appropriate public office (with respect to Taxes) without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof. If at any time the amount of the Tax Funds shall exceed the amounts due for Taxes, Lender shall, or shall direct Servicer to, disburse such excess (as determined by Lender in its reasonable discretion) to Borrower, unless a Cash Management Trigger Event Period shall be continuing, in which event such excess shall be deposited into the Cash Management Account to be applied in accordance with Section 6.11.1, or credit such excess against future payments to be made to the Tax Funds, such election to be made by Lender in its sole discretion.

Section 6.4 Insurance Funds.

6.4.1 Deposits of Insurance Funds. Borrower shall deposit or cause to be deposited with or on behalf of Lender (a) on the Closing Date, the amount of Seven Thousand Five Hundred and No/100 Dollars (\$7,500.00) and (b) on each Monthly Payment Date, an amount equal to one-twelfth of the Insurance Premiums that Lender reasonably estimates will be payable for the renewal of the coverage afforded by the Policies upon the expiration thereof in order to accumulate sufficient funds to pay all such Insurance Premiums at least thirty (30) days prior to the expiration of the Policies, which amounts shall be transferred by or at the direction of Lender into an Account established to hold such funds (the "**Insurance Account**"). Amounts deposited from time to time into the Insurance Account pursuant to this Section 6.4.1 are referred to herein as the "**Insurance Funds**". If at any time, Lender reasonably determines that the Insurance Funds will not be sufficient to pay the Insurance Premiums, Lender shall notify Borrower of such determination and the monthly deposits for Insurance Premiums shall be increased by the amount that Lender estimates is sufficient to make up the deficiency at least thirty (30) days prior to expiration of the Policies; provided that if Borrower receives notice of any deficiency after the date that is thirty (30) days prior to expiration of the Policies, Borrower will deposit with or on behalf of Lender, such amount within one Business Day after its receipt of such notice.

6.4.2 Release of Insurance Funds. Provided no Event of Default shall have occurred and be continuing, Lender shall, or shall direct Servicer to, apply the Insurance Funds, if any, in the Insurance Account to payment of Insurance Premiums. In making any payment relating to Insurance Premiums, Lender may do so according to any bill, statement or estimate

procured from the insurer or its agent, without inquiry into the accuracy of such bill, statement or estimate. If at any time the amount of the Insurance Funds shall exceed the amounts due for Insurance Premiums, Lender shall, or shall direct Servicer to, disburse such excess (as determined by Lender in its reasonable discretion) to Borrower, unless a Cash Management Trigger Event Period shall be continuing, in which event such excess shall be deposited into the Cash Management Account to be applied in accordance with Section 6.11.1, or credit such excess against future payments to be made to the Insurance Funds, such election to be made by Lender in its sole discretion.

Section 6.5 FF&E Funds.

6.5.1 Deposits of FF&E Funds. Borrower shall deposit or cause to be deposited with or on behalf of Lender (a) on each Monthly Payment Date through and including the Monthly Payment Date in April, 2020 or until the date upon which (y) the PIP Reserve Funds are in an amount equal to the greater of (i) \$475,000.00 and (ii) 110% of the estimated costs to complete the Future PIP Work (as determined by Lender in its reasonable discretion based upon an updated budget for the Future PIP Work delivered at such time) or (z) Lender receives evidence reasonably acceptable to Lender of the completion of such PIP Work (or Lender's receipt of evidence reasonably acceptable to Lender of Franchisor's waiver of such PIP Work), (1) an amount equal to the greater of (i) one-twelfth of one and one half percent (1.50%) of the greater of (A) the Gross Revenue generated during the twelve (12) month period ending on the last day of the most recent calendar quarter for which Borrower has furnished financial statements pursuant to Section 4.1.7(c) hereof and (B) the Gross Revenue projected in the then-effective Annual Budget or the Approved Annual Budget, as applicable, for the twelve (12) month period to which such Annual Budget or Approved Annual Budget relates; provided, however, in the event that the Annual Budget has not been approved by Lender under Section 4.1.7(e) for the applicable period in which Monthly Payment Date occurs and/or Borrower has failed to timely deliver the financial statements required pursuant to this Agreement, Lender shall determine the amount of Gross Revenue in its sole and absolute discretion, and (ii) the amount, if any, required to be reserved under the Franchise Agreement and the Management Agreements for FF&E Work, and (b) on each Monthly Payment Date thereafter, an amount equal to the greater of (i) one-twelfth of four percent (4%) of the greater of (A) the Gross Revenue generated during the twelve (12) month period ending on the last day of the most recent calendar quarter for which Borrower has furnished financial statements pursuant to Section 4.1.7(c) hereof and (B) the Gross Revenue projected in the then-effective Annual Budget or the Approved Annual Budget, as applicable, for the twelve (12) month period to which such Annual Budget or Approved Annual Budget relates; provided, however, in the event that the Annual Budget has not been approved by Lender under Section 4.1.7(e) for the applicable period in which Monthly Payment Date occurs and/or Borrower has failed to timely deliver the financial statements required pursuant to this Agreement, Lender shall determine the amount of Gross Revenue in its sole and absolute discretion, and (ii) the amount, if any, required to be reserved under the Franchise Agreement and the Management Agreements for FF&E Work, which amounts shall be transferred by or at the direction of Lender into an Account established to hold such funds (the "**FF&E Account**"). Amounts deposited from time to time into the FF&E Account pursuant to this Section 6.5.1 are referred to herein as the "**FF&E**

Funds". Lender may reassess its estimate of the amount necessary for FF&E Work from time to time, and may require Borrower to increase the monthly deposits required pursuant to this Section 6.5.1 upon thirty (30) days' notice to Borrower if Lender determines in its reasonable discretion that an increase is necessary to maintain proper operation of the Property.

6.5.2 Release of FF&E Funds.

(a) Lender shall, or shall direct Servicer to, disburse the FF&E Funds to Borrower out of the FF&E Account provided (i) such disbursement is for FF&E Work incurred in connection with an Approved FF&E Expense and (ii) Borrower shall have satisfied each of the Reserve Disbursement Conditions with respect to each such disbursement. Lender shall not be required to disburse FF&E Funds more frequently than once each calendar month, and each disbursement of FF&E Funds must be in an amount not less than the Minimum Disbursement Amount (or a lesser amount if the total amount of FF&E Funds is less than the Minimum Disbursement Amount, in which case only one disbursement of the amount remaining in the account shall be made). Lender shall not be obligated to make disbursements of FF&E Funds to reimburse Borrower for the costs of routine maintenance to the Property, replacements of inventory or for costs which are to be reimbursed from the Required Repair Funds.

(b) Nothing in this Section 6.5.2 shall (i) make Lender responsible for performing or completing any FF&E Work; (ii) require Lender to expend funds in addition to the FF&E Funds to complete any FF&E Work; (iii) obligate Lender to proceed with any FF&E Work; or (iv) obligate Lender to demand from Borrower additional sums to complete any FF&E Work.

(c) Borrower shall permit Lender and Lender's agents and representatives (including Lender's engineer, architect or inspector) or third parties to enter onto the Property during normal business hours (subject to the rights of Tenants under their Leases) to inspect the progress of any FF&E Work and all materials being used in connection therewith and to examine all plans and shop drawings relating to such FF&E Work. Borrower shall cause all contractors and subcontractors to cooperate with Lender or Lender's representatives or such other Persons described above in connection with inspections described in Section 6.5.2(d).

(d) If a disbursement of FF&E Funds will exceed \$150,000.00, Lender may require an inspection of the Property at Borrower's expense prior to making a disbursement of FF&E Funds in order to verify completion of the FF&E Work for which reimbursement is sought. Lender may require that such inspection be conducted by an appropriate independent qualified professional selected by Lender and may require a certificate of completion by an independent qualified professional acceptable to Lender prior to the disbursement of FF&E Funds. Borrower shall pay the expense of the inspection as required hereunder, whether such inspection is conducted by Lender or by an independent qualified professional.

(e) In addition to any insurance required under the Loan Documents, Borrower shall provide or cause to be provided workmen's compensation insurance, builder's risk, public liability insurance and other insurance to the extent required under

applicable law in connection with FF&E Work. All such policies shall be in form and amount satisfactory to Lender.

(f) FF&E Funds not allocated for FF&E Work may be applied to the payment of PIP Work (other than the Immediate PIP Work and the Future PIP Work) in accordance with Section 6.12.

Section 6.6 Seasonality Reserve Funds.

6.6.1 Deposits of Seasonality Reserve Funds. Borrower shall deposit or cause to be deposited with or on behalf of Lender (a) on the Closing Date, Two Hundred Twenty Thousand and No/Dollars (\$220,000.00) and (b) on each Monthly Payment Date occurring in April, May, June and July of each calendar year (to the extent that the amount of Seasonality Reserve Funds is less than the Seasonality Reserve Cap), an amount equal to twenty-five percent (25%) of the Seasonality Reserve Cap (as defined below until the Seasonality Reserve Cap (as defined below) is reached; provided, however, that the insufficiency of funds available from the Seasonality Reserve Account shall not relieve Borrower from its obligation to make any payment under this Agreement or any other Loan Document. Amounts deposited pursuant to this Section 6.6.1 are referred to herein as the "**Seasonality Reserve Funds**" and such amounts shall be transferred to Cash Management Bank into an Account established to hold such funds (the "**Seasonality Reserve Account**"). Notwithstanding the first sentence of this Section 6.6.1, but subject to Section 6.6.3, the balance of the Seasonality Reserve Account at any one time shall not exceed a maximum cap which may be determined by Lender, in Lender's sole discretion, once per annum during the Term at the request of Borrower (as the same may be adjusted in accordance with Section 6.6.3 below, the "**Seasonality Reserve Cap**"). As of the date hereof, the Seasonality Reserve Cap is Two Hundred Twenty Thousand and No/Dollars (\$220,000.00). To the extent that any monthly payment to the Seasonality Reserve Account (or portion thereof) would increase the balance thereof above the Seasonality Reserve Cap, then payments to the Seasonality Reserve Account shall be suspended or limited (as applicable) until such time as the balance is reduced below the Seasonality Reserve Cap, at which point payments shall resume in the amounts referred to herein below. Notwithstanding the foregoing, to the extent that Lender determines in its reasonable discretion that the amount deposited in the Seasonality Reserve pursuant to this Section 6.6.1 exceeds the Available Cash Flow for such Interest Period based upon a calculation of Available Cash Flow delivered by Borrower and certified to Lender, then on the Monthly Payment Date immediately succeeding the delivery of such calculation, Lender shall, or shall direct Servicer to, disburse such excess to Borrower, unless a Cash Management Trigger Event Period shall be continuing, in which event such excess shall be deposited into the Cash Management Account to be applied in accordance with Section 6.11.1 hereof.

Release of Seasonality Reserve Funds. In the event of a Projected Shortfall during the months of November, December, January and February of each calendar year, Lender shall make disbursements to Borrower from the Seasonality Reserve Funds on the next occurring Monthly Payment Date as described above upon satisfaction by Borrower of each of the following conditions: (i) Borrower shall submit a request for payment of the Projected Shortfall to Lender at least five (5) Business Days prior to the next occurring Monthly Payment Date, which request

shall include the amount requested and (ii) on the date such request is received by Lender and on the date such payment is to be made, no Event of Default shall exist; (iii) Lender shall have received an Officer's Certificate from Borrower (A) which includes a detailed calculation by Borrower of its Projected Shortfall and (B) stating that upon the date of such Officer's Certificate no Event of Default shall exist.

Provided Lender is reasonably satisfied with Borrower's calculation of the Projected Shortfall and has otherwise satisfied the requirements of this Section, Lender shall direct Servicer to make disbursements of Seasonality Reserve Funds as requested by Borrower within five (5) Business Days of Borrower's satisfaction of the requirements of this Section, in no less than the Minimum Disbursement Amount; provided, however, that the insufficiency of the funds available from the Seasonality Reserve Account shall not relieve Borrower from its obligation to make any payment under this Agreement or any other Loan Document.

6.6.2 Adjustment of Required Deposits. Commencing in April, 2017, and in each April thereafter during the Term, Lender may, by giving written notice to Borrower, or Borrower may, thirty (30) days prior to April 1, 2017 and each April 1st thereafter, request in writing to Lender, that Lender recalculate the amount of the Seasonality Reserve Cap. The amount of the Seasonality Cap shall be calculated by multiplying the sum of the Operating Expense shortfall for each month in which such a shortfall occurs for the prior twelve (12) month period by one hundred ten percent (110%).

Section 6.7 Intentionally Omitted.

Section 6.8 Operating Expenses.

6.8.1 Deposits of Operating Expense Funds.

(a) On each Monthly Payment Date, during the continuance of a Cash Management Trigger Event Period, an amount sufficient to pay monthly Approved Operating Expenses at the Property in accordance with the Approved Annual Budget (together with additional funds, if any, for monthly Approved Operating Expenses not set forth in the Approved Annual Budget and monthly Extraordinary Expenses requested by Borrower and approved by Lender in accordance with the terms hereof) (but without duplication for any expenses to be funded with amounts deposited to the other Reserve Funds) which amounts shall be transferred by or at the direction of Lender into an Account established to hold such funds (the "**Operating Expense Account**") to the extent there are amounts remaining in the Cash Management Account after deposits for items (a) through (g) of Section 6.11.1. Amounts deposited from time to time into the Operating Expense Account pursuant to this Section 6.8 are referred to herein as the "**Operating Expense Funds**".

6.8.2 Disbursements of Operating Expense Funds.

(a) Provided no Event of Default shall have occurred and be continuing, Lender shall, or shall direct Servicer to, disburse Operating Expense Funds to Borrower out of the Operating Expense Account promptly following each Monthly Payment

Date for the payment of Approved Operating Expenses at the Property and any Extraordinary Expenses requested by Borrower and approved by Lender in accordance with the terms hereof in each case for the applicable monthly period less any expenses previously funded pursuant to Section 6.8.2 (b) below.

(b) Additionally, on each Interim Disbursement Date during the continuance of a Cash Management Trigger Event Period, and provided no Event of Default shall have occurred and be continuing, Lender shall determine the amount of the funds on deposit in the Cash Management Account and shall determine if the amount of such funds are sufficient to make the deposits required pursuant to Sections 6.11.1(a)(i) through (vii) to be made on the next Monthly Payment Date, and, to the extent there are sufficient funds, Lender shall disburse to Borrower for the payment of Approved Operating Expenses at the Property and any Extraordinary Expenses requested by Borrower and approved by Lender in accordance with the terms hereof in each case for the next monthly period.

Section 6.9 Excess Cash Flow Funds. During the continuance of a Cash Management Trigger Event Period, Borrower shall deposit or cause to be deposited with or on behalf of Lender all Excess Cash Flow, which amounts shall be transferred by the Cash Management Bank into an Account established to hold such funds (the “**Excess Cash Flow Account**”) and held as additional security for the Loan. Amounts deposited from time to time into the Excess Cash Flow Account pursuant to this Section 6.9 are referred to herein as the “**Excess Cash Flow Funds**”. Provided no Event of Default shall have occurred and be continuing, any Excess Cash Flow Funds remaining in the Excess Cash Flow Account upon the occurrence of a Cash Management Trigger Event Cure shall be disbursed to Borrower, unless a Cash Management Trigger Event Period shall be continuing, in which event such Excess Cash Flow Funds shall be deposited into the Cash Management Account to be applied in accordance with Section 6.11.1.

Section 6.10 Security Interest in Reserve Funds; Reserve Funds Generally.

6.10.1 Grant of Security Interest. Borrower hereby pledges, assigns and grants a security interest to Lender, as security for the payment and performance of the Obligations, in all of Borrower’s right, title and interest in and to any and all monies, checks, notes, bonds, money orders, letters of credit, other instruments and other investment property now or hereafter deposited or held in the Reserve Funds. The Reserve Funds shall be under the sole dominion and control of Lender. The Reserve Funds shall not constitute a trust fund and may be commingled with other monies held by Lender.

6.10.2 Interest on Certain Reserve Funds; Income Taxes. All Reserve Funds may be invested in Permitted Investments as directed by Lender in accordance with the terms of the Cash Management Agreement. Borrower acknowledges and agrees that the availability of and return on certain Permitted Investments depends, in part, upon the availability of Permitted Investments to the Cash Management Bank, the size of the balance of the applicable Reserve Funds and/or the frequency of deposits into and withdrawals from the Reserve Funds and that certain Permitted Investments may be or become unavailable from time to time with respect to

the Reserve Funds for a variety of reasons, including, without limitation, any of the foregoing factors. Borrower acknowledges and agrees that the interest or income received on the Reserve Funds may not be the highest return available on cash-based investments and further acknowledges and agrees that none of Lender, any Servicer of the Loan, the Cash Management Bank or any of their respective agents or representatives shall be obligated to seek the highest return available on cash-based investments and none of Lender, any Servicer of the Loan, the Cash Management Bank or any of their respective agents or representatives shall be liable for any loss sustained on the investment of any funds constituting the Reserve Funds. Borrower shall deposit with Lender an amount equal to any actual losses sustained on the investment of any funds constituting the Reserve Funds within one Business Day of Lender's notice. All earnings or interest on each of the Reserve Funds (other than the Tax Funds and the Insurance Funds) shall be and become part of the respective Reserve Fund and shall be disbursed as provided in the paragraph(s) of this Agreement applicable to each such Reserve Fund. All earnings and interest on the Tax Funds and the Insurance Funds shall be the sole property of and paid to Lender. Borrower shall report on its federal, state, commonwealth, district and local income tax returns all interest or income accrued on the Reserve Funds (other than the Tax Funds and the Insurance Funds).

6.10.3 Prohibition Against Further Encumbrance. Borrower shall not, without the prior written consent of Lender, further pledge, assign or grant any security interest in the Reserve Funds or permit any Lien or encumbrance to attach thereto, or any levy to be made thereon, or any UCC-1 Financing Statements, except those naming Lender as the secured party, to be filed with respect thereto.

Section 6.11 Property Cash Flow Allocation.

6.11.1 Order of Priority of Funds in Cash Management Account.

(a) Subject to the other provisions of the Loan Documents, on each Monthly Payment Date during the continuance of a Cash Management Trigger Event Period, except during the continuance of an Event of Default, all funds deposited into the Cash Management Account during the immediately preceding Interest Period shall be applied on such Monthly Payment Date in the following order of priority: (i) First, to make the required payments of Tax Funds into the Tax Account as required under Section 6.3; (ii) then, to make the required payments of Insurance Funds into the Insurance Account as required under Section 6.4; (iii) then, funds sufficient to pay the Monthly Debt Service Payment into an Account established for such purpose; (iv) then, to make the required payments of PIP Reserve Funds, if any, into the PIP Reserve Account as required under Section 6.12; (v) then, to make the required payments of FF&E Funds into the FF&E Account as required under Section 6.5; (vi) then, funds sufficient to pay any interest accruing at the Default Rate, late payment charges and all other amounts, other than those described under other clauses of this Section 6.11.1, then due to Lender and/or any Indemnified Party under the Loan Documents into an Account established for such purpose; (vii) then, to make the required payments of Operating Expense Funds into the Operating Expense Account as required under Section 6.8; (viii) then, to make the required payments of the Seasonality Reserve Funds into the Seasonality Reserve Account as required under Section 6.6,

and (ix) lastly, all amounts remaining in the Cash Management Account after deposits for items (i) through (viii) above (the "**Excess Cash Flow**") into the Excess Cash Flow Account as required under Section 6.9.

(b) In addition to the foregoing, subject to the other provisions of the Loan Documents, on the twentieth (20th) calendar day of each calendar month during a Cash Management Trigger Event Period (or on the succeeding Business Day if such day is not a Business Day) (the "**Interim Disbursement Date**"), and only if no Event of Default has occurred and is then continuing has occurred and is then continuing, Lender shall make an additional disbursement in accordance with Section 6.8.2(b) hereof.

6.11.2 Failure to Make Payments. The failure of Borrower to make all of the payments required under clauses (i) through (viii) of Section 6.11.1 in full on each Monthly Payment Date shall constitute an Event of Default under this Agreement; provided, however, if adequate funds are available in the Cash Management Account for such payments, and an Event of Default is not otherwise in existence, the failure by the Cash Management Bank to allocate such funds into the appropriate Accounts shall not constitute an Event of Default. The insufficiency of funds on deposit in the Cash Management Account shall not relieve Borrower from the obligation to make any payments, as and when due pursuant to the Loan Documents.

6.11.3 Application After Event of Default. Notwithstanding anything to the contrary contained in Section 6.11.1, upon the occurrence of and during the continuance of an Event of Default, Lender shall be under no obligation to release or disburse any of the Reserve Funds and may, at its option, withdraw the Reserve Funds and any other funds of Borrower then in the possession of Lender, Servicer or the Cash Management Bank (including any Gross Revenue) and apply such funds to the items for which the Reserve Funds were established or to the payment of the Debt in such order, proportion and priority as Lender may determine in its sole discretion. Lender's right to withdraw and apply the Reserve Funds shall be in addition to all other rights and remedies provided to Lender under the Loan Documents.

Section 6.12 PIP Reserve.

6.12.1 Deposits of PIP Reserve Funds. On the date hereof, Borrower shall deposit with Lender One Hundred Eighty Eight Thousand Ninety Five and No/100 Dollars (\$188,095.00) for the Immediate PIP Work which shall be completed in the timeframe required by Franchisor. On each Monthly Payment Date, in connection with the Future PIP Work, Borrower shall deposit, or cause to be deposited, until the earlier of (i) the Monthly Payment Date in May, 2020, (ii) Lender's receipt of evidence reasonable acceptable to Lender of the completion of the Future PIP Work (or Lender's receipt of evidence reasonably acceptable to Lender of Franchisor's waiver of such PIP Work) or (iii) the date upon which the PIP Reserve Funds are in an amount equal to the greater of (A) \$475,000.00 and (B) 110% of the estimated costs to complete the Future PIP Work (as determined by Lender in its reasonable discretion based upon an updated budget for the Future PIP Work delivered at such time), an amount equal to one-twelfth of two and one half percent (2.5%) of the greater of (A) the Gross Revenue generated during the twelve (12) month period ending on the last day of the most recent calendar

quarter for which Borrower has furnished financial statements pursuant to Section 4.1.7(c) hereof and (B) the Gross Revenue projected in the then-effective Annual Budget or the Approved Annual Budget, as applicable, for the twelve (12) month period to which such Annual Budget or Approved Annual Budget relates. In the event that by the Monthly Payment Date in May, 2020, the amount of the PIP Reserve Funds is not an amount equal to the greater of (A) \$475,000.00 and (B) 110% of the estimated costs to complete the Future PIP Work (as determined by Lender in its reasonable discretion based upon an updated budget for the Future PIP Work delivered at such time), Borrower shall deposit the amount of the difference between the PIP Reserve Funds and such required amount for the Future PIP Work within ten (10) Business Days' of receipt of notice from Lender. If at any time, any additional PIP Work is required by the Franchisor under the Franchise Agreement (or otherwise pursuant to any Replacement Franchise Agreement) to be completed within a twelve (12) month period (or such other period of time required by Franchisor) from the date of notice from Franchisor of such PIP Work, for any additional PIP Work thirty (30) days after receipt of such notice from Franchisor (or the Qualified Franchisor, as the case may be) of such PIP Work, Borrower shall deposit an amount equal to (i) 110% of the estimated costs to complete such PIP Work, as determined by Lender in its reasonable discretion, less (ii) the amount of FF&E Reserve Funds that remain in the FF&E Reserve Account that are not allocated for completion of FF&E Work. Any such amounts required to be deposited in the PIP Reserve Account shall be referred to as the "**PIP Reserve Deposit Amount**", which amounts shall be transferred into an Account established at Cash Management Bank to hold such funds (the "**PIP Reserve Account**"). In the event that the PIP Work of which Franchisor (or the Qualified Franchisor, as the case may be) has delivered notice is not required to be completed within twelve (12) months (or such other period of time required by Franchisor) of the date of such notice, Borrower shall deposit the PIP Reserve Deposit Amount on or prior to the date that is twelve (12) months prior to the required completion date of such PIP Work. Lender may from time to time reassess its estimate of the amount necessary for PIP Work, and may require Borrower to increase the PIP Reserve Funds by making one or more additional deposits thereto upon thirty (30) days' notice to Borrower if Lender determines in its reasonable discretion that an increase is necessary to maintain proper operation of the Property. Amounts deposited pursuant to this Section 6.7 are referred to herein as the "**PIP Reserve Funds**".

6.12.2 Release of PIP Reserve Funds.

(a) Lender shall direct Servicer to disburse the PIP Reserve Funds to Borrower out of the PIP Reserve Account upon satisfaction by Borrower of each of the following conditions with respect to each such disbursement: (i) such disbursement is for PIP Work; (ii) Borrower shall submit a request for payment to Lender at least ten (10) days prior to the date on which Borrower requests such payment be made and which request shall specify the PIP Work to be paid; (iii) on the date such request is received by Lender and on the date such payment is to be made, no Event of Default shall exist and remain uncured, (iv) Lender shall have received (1) an Officer's Certificate from Borrower (in the form attached hereto as Exhibit E which is deemed approved by Lender subject to Lender's right to make reasonable adjustments to such form) (A) stating that the items to be funded by the requested disbursement are PIP Work, and a description thereof, (B) stating that all PIP Work at the Property to be funded by the requested disbursement has been completed in good and workmanlike manner and in accordance

with all applicable Legal Requirements, (C) identifying each Person that supplied materials or labor in connection with the PIP Work to be funded by the requested disbursement, (D) stating that each such Person has been paid in full or will be paid in full upon such disbursement, (E) stating that the PIP Work to be funded have not been the subject of a previous disbursement of PIP Reserve Funds, (F) stating that all previous disbursements of PIP Reserve Funds have been used to pay the previously identified PIP Work, and (G) stating that all outstanding trade payables (other than those to be paid from the requested disbursement or those constituting Permitted Indebtedness) have been paid in full, (2) a copy of any license, permit or other approval by any Governmental Authority required in connection with the PIP Work, (3) lien waivers or other evidence of payment satisfactory to Lender; (4) at Lender's option, a title search for the Property indicating that the Property is free from all liens, claims and other encumbrances nor previously approved by Lender; (v) at Lender's option, if the cost of any individual PIP Work exceeds \$200,000.00, Lender shall have received a report satisfactory to Lender in its reasonable discretion from an architect or engineer approved by Lender in respect of such architect or engineer's inspection of the applicable PIP Work; and (vi) such other evidence as Lender shall reasonably request to demonstrate that the PIP Work at the Property to be funded by the requested disbursement has been completed and has been paid for or will be paid upon such disbursement to Borrower. Lender shall not be required to disburse PIP Reserve Funds more frequently than once each calendar month nor in an amount less than the Minimum Disbursement Amount (or a lesser amount if the total amount of PIP Reserve Funds is less than the Minimum Disbursement Amount, in which case only one disbursement of the amount remaining in the account shall be made). Upon Borrower's completion of all PIP Work in accordance with this Section 6.12.2 and to the satisfaction of Franchisor (as evidenced by Franchisor's inspection of such PIP Work), Lender shall, or shall direct Servicer to, disburse any remaining PIP Reserve Funds held in the PIP Reserve Account to Borrower, unless a Cash Management Trigger Event Period has occurred and is continuing, in which event such funds shall be deposited into the Cash Management Account to be applied in accordance with Section 6.11.1.

(b) Nothing in this Section 6.12.2 shall (i) make Lender responsible for making or completing the PIP Work; (ii) require Lender to expend funds in addition to the PIP Reserve Funds to complete any PIP Work; (iii) obligate Lender to proceed with the PIP Work; or (iv) obligate Lender to demand from Borrower additional sums to complete any PIP Work. PIP Reserve Funds, to the extent such funds remain after completion of required PIP Work in accordance with this Section 6.12.2, shall also be made available to reimburse costs attributable to additional PIP Work or FF&E Work, subject to satisfaction of the disbursement conditions set forth in this Section or Section 6.5.2, as applicable.

(c) Borrower shall permit Lender and Lender's agents and representatives (including, without limitation, Lender's engineer, architect, or inspector) or third parties to enter onto the Property during normal business hours upon prior notice to Borrower (subject to the rights of Tenants under their Leases) to inspect the progress of any PIP Work and all materials being used in connection therewith and to examine all plans and shop drawings relating to such PIP Work, if any. Borrower shall use commercially reasonable efforts to cause

all contractors and subcontractors to cooperate with Lender or Lender's representatives or such other Persons described above in connection with inspections described in this Section.

In addition to any insurance required under the Loan Documents, Borrower shall provide or cause to be provided worker's compensation insurance, builder's risk, and public liability insurance and other insurance to the extent required under applicable Legal Requirements in connection with the PIP Work. All such policies shall be in form and amount reasonably satisfactory to Lender.

ARTICLE 7:PROPERTY MANAGEMENT

Section 7.1 The Management Agreement and Franchise Agreement. Borrower hereby agrees that the fee paid to Managers in compensation for Managers' services conducted in connection with the management of the Property shall not exceed three percent (3%) of Gross Revenue collectively (provided, however, any additional fee in excess of three percent (3%) may be paid to Managers only after the payment of Debt Service, Operating Expenses, Reserve Funds and all other amounts due under the Loan Documents and no such additional fee shall be paid during a Cash Management Trigger Event Period or during the continuation of an Event of Default). Borrower shall (a) cause Managers to manage the Property in accordance with the Management Agreements and the Franchise Agreement, (b) diligently perform and observe all of the terms, covenants and conditions of the Management Agreements and the Franchise Agreement on the part of Borrower to be performed and observed, (c) promptly notify Lender of any material default under the Management Agreements or the Franchise Agreement of which it is aware, (d) promptly deliver to Lender a copy of each financial statement, business plan, capital expenditures plan estimate, report, survey and each material notice received by it under the Management Agreements or the Franchise Agreement, and (e) promptly enforce the performance and observance of all of the covenants required to be performed and observed by Managers under the Management Agreements and Franchisor under the Franchise Agreement. If Borrower shall default in the performance or observance of any material term, covenant or condition of the Management Agreements or the Franchise Agreement on the part of Borrower to be performed or observed, then, without limiting Lender's other rights or remedies under the Loan Documents, and without waiving or releasing Borrower from any of its Obligations hereunder or under the Management Agreements or the Franchise Agreement, Lender shall have the right, but shall be under no obligation, to pay any sums and to perform any act as may be appropriate to cause all the material terms, covenants and conditions of the Management Agreements and the Franchise Agreement on the part of Borrower to be performed or observed.

Section 7.2 Prohibition Against Termination or Modification of Management Agreement and Franchise Agreement.

7.2.1 Management Agreement. Borrower shall not, without the prior written consent of Lender (such consent not to be unreasonably withheld, conditioned or delayed) (a) surrender, terminate, cancel, modify (in any material respect), renew or extend the Management Agreements (other than a renewal or extension provided for in the respective Management Agreement); provided, that so long as no Event of Default shall have occurred and

be continuing or would occur as a result of such replacement, Borrower may replace a Manager with a Qualified Manager pursuant to a Replacement Management Agreement, (b) enter into any new or other agreement relating to the management or operation of the Property with Manager or any other Person, (c) consent to the assignment by a Manager of its interest under a Management Agreement, (d) permit or suffer any Transfer of the ownership, management or Control of an Affiliated Manager to occur, or (e) waive or release any of its rights and remedies under the Management Agreements in any material respect.

7.2.2 Franchise Agreement. Borrower shall not, without the prior written consent of Lender (which, with respect to modifications and amendments of the Franchise Agreement, shall not be unreasonably withheld, conditioned or delayed), (a) surrender, terminate, cancel, modify (in any material respect), renew, amend (in any material respect) or extend the Franchise Agreement, (b) enter into any new or other agreement relating to the flagging of the Property with Franchisor or any other Person, (c) consent to the assignment by Franchisor of its obligations under the Franchise Agreement, (d) permit or suffer any Transfer of the ownership, management or Control of an Affiliated Franchisor to occur, or (e) waive or release any of its rights and remedies under the Franchise Agreement in any material respect.

Section 7.3 Expiration or Termination of Management Agreement and/or Franchise Agreement.

7.3.1 Expiration or Manager Termination. In the event that a Management Agreement expires or is surrendered, terminated or canceled (without limiting any obligation of Borrower to obtain Lender's consent to any surrender, termination, cancellation, modification, renewal or extension of the Management Agreement in accordance with the terms and provisions of this Agreement), Borrower shall enter into a Replacement Management Agreement with a Qualified Manager contemporaneously with such expiration, surrender, termination or cancellation.

7.3.2 Expiration or Franchisor Termination. In the event that the Franchise Agreement expires or is surrendered, terminated or canceled (without limiting any obligation of Borrower to obtain Lender's consent to any surrender, termination, cancellation, modification, renewal or extension of the Franchise Agreement in accordance with the terms and provisions of this Agreement), Borrower shall enter into a Replacement Franchise Agreement with a Qualified Franchisor contemporaneously with such expiration, surrender, termination or cancellation.

7.3.3 Lender's Right to Require Replacement of Management Agreement. Lender shall have the right to require Borrower to replace either or both Managers with a Qualified Manager chosen by Borrower which is not an Affiliate of Borrower or any Guarantor to manage the Property pursuant to a Replacement Management Agreement upon the occurrence of any one or more of the following events: (a) at any time following the occurrence of an Event of Default, (b) intentionally omitted, (c) if at any time the Debt Service Coverage Ratio falls below 1.20 to 1:00, for any two (2) consecutive calendar quarters, (d) if Manager shall be in default under the Management Agreement beyond any applicable notice and cure period, (e) if

Manager shall become insolvent or a debtor in any Bankruptcy Action, or (f) if at any time Manager has engaged in gross negligence, fraud or willful misconduct.

7.3.4 Lender's Right to Require Replacement of Franchise Agreement. Lender shall have the right to require Borrower to replace Franchisor with a Qualified Franchisor chosen by Borrower which is not an Affiliate of Borrower or Guarantor to flag the Property pursuant to a Replacement Franchise Agreement upon the occurrence of any one or more of the following events: (a) at any time following the occurrence of an Event of Default resulting in Lender accelerating the Debt, (b) if Franchisor shall be in default under the Franchise Agreement beyond any applicable notice and cure period, (c) if Franchisor shall become insolvent or a debtor in any Bankruptcy Action, or (d) if at any time Franchisor has engaged in gross negligence, fraud or willful misconduct, in each case to the extent that Borrower has the right to so terminate the Franchise Agreement upon the occurrence of any such event. Lender's rights under this Section 7.3.4 shall be in addition to, and shall not be deemed to waive, qualify or otherwise limit any rights available to Lender under the Assignment of Franchise Agreement or any other comfort letter/tri-party agreement/non-disturbance agreement/assignment of franchise agreement and subordination of franchise fees or similar agreement delivered pursuant to the terms of this Agreement.

7.3.5 Actions Following Event of Default. Upon the occurrence and during the continuance of an Event of Default, Borrower shall not exercise any rights, make any decisions, grant any approvals or otherwise take any action under the Management Agreements or the Franchise Agreement without the prior written consent of Lender.

7.3.6 Assignment of Management Agreement. If at any time Lender consents to the appointment of a new manager and/or the execution of a management agreement under this Agreement, such manager and Borrower shall, as a condition of Lender's consent, execute an assignment of management agreement and subordination of management fees substantially in the form then used by Lender (or in such other form and substance reasonably satisfactory to Lender).

7.3.7 Assignment of Franchise Agreement. If at any time Lender consents to the appointment of a new franchisor and/or the execution of a franchise agreement under this Agreement, such franchisor and if necessary, Borrower shall, as a condition of Lender's consent, execute a comfort letter/tri-party agreement/non-disturbance agreement/assignment of franchise agreement and subordination of franchise fees or similar agreement in form and substance reasonably satisfactory to Lender).

ARTICLE 8:TRANSFERS

Section 8.1 Permitted Transfer of the Property. Borrower shall have the right to Transfer the Property to a Permitted Transferee and have such Permitted Transferee assume the Loan subject to Lender's consent, which will not be withheld provided that the following conditions precedent are satisfied: (a) Lender shall have received a notice from Borrower

requesting Lender's consent to such Transfer not less than sixty (60) days prior to the proposed date of Transfer; (b) no Default or Event of Default shall have occurred and be continuing or shall occur solely as a result of such Transfer; (c) Lender shall have received a Rating Agency Confirmation as to the conveyance of the Property to, and the assumption of the Loan by, the Permitted Transferee and the replacement and release of Guarantor as contemplated in clause (h) below; (d) Lender shall have received an agreement, in form and substance reasonably acceptable to Lender, pursuant to which Permitted Transferee has assumed all of Borrower's obligations under the Loan Documents; (e) Borrower shall have paid to Lender an assumption fee equal to one percent (1%) of the Outstanding Principal Balance; (f) Lender shall have received such agreements, certificates, legal opinions and other documentation as may be reasonably requested by Lender, including, without limitation, a title insurance endorsement confirming the Lien of the Mortgage as a valid first lien on the Property, if available; (g) the Permitted Transferee, or such Transferee's Principals and its property manager shall have sufficient experience in the ownership and management of properties similar in location, size, class, use, operation and value as the Property, and Lender shall be provided with reasonable evidence thereof (and Lender reserves the right to approve the Permitted Transferee without approving the substitution of the property manager); (h)(i) one or more substitute guarantors acceptable to Lender (which shall have a net worth of at least \$15,000,000.00 and liquidity of at least \$2,000,000.00, and otherwise be subject to Lender's approval in accordance with this Section 8.1), shall (A) have assumed all obligations of Guarantor under the Guaranty and Environmental Indemnity for events or conditions occurring subsequent to the Transfer or (B) have executed and delivered to Lender a replacement guaranty and a replacement environmental indemnity in each case in form and substance the same as the Guaranty and the Environmental Indemnity, respectively, and otherwise reasonably acceptable to Lender, covering events or conditions occurring subsequent to the Transfer, (ii) if required by Lender or the Rating Agencies, Borrower shall have delivered to Lender an opinion from counsel, and in form and substance, in each case reasonably acceptable to Lender and acceptable to the Rating Agencies in their sole discretion stating, among other things, (A) that the Guaranty and the Environmental Indemnity (or the replacement guaranty and environmental indemnity, as the case may be) are enforceable against such substitute guarantor(s) in accordance with their terms and (B) that any REMIC Trust formed pursuant to a Securitization will not fail to maintain its status as a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code or be subject to tax as a result of such replacement and release, (iii) if required by Lender or the Rating Agencies and an Insolvency Opinion has previously been delivered in connection with the Loan, Borrower shall have delivered to Lender a new Insolvency Opinion, and (iv) Lender and the Rating Agencies shall have received such other documentation and information as may be reasonably requested by Lender or requested by the Rating Agencies in connection with such replacement and release, including, without limitation, a spousal consent in form and substance acceptable to Lender, as and to the extent applicable; (i) such Transfer, assumption and replacement and release shall be permitted under the Franchise Agreement and/or Borrower shall have obtained any consents required from the Franchisor in connection with such Transfer, assumption and replacement and release and delivered the same to Lender; and (j) Lender may, as a condition to evaluating any requested consent to such Transfer, require that Borrower post a cash deposit with Lender in an amount equal to Lender's anticipated costs and expenses in evaluating any such request for consent. Upon the closing of a Transfer and assumption and the

satisfaction of all of the above requirements, the named Guarantor herein shall be released from any further liability under the Guaranty and the Environmental Indemnity for acts that arise from and after the date of such Transfer and assumption and the approved substitute guarantor(s) shall be the "Guarantor" for all purposes of this Agreement.

Section 8.2 Permitted Transfers of Interest in Restricted Parties Subject to the terms and provisions of Section 7.2 and this Section 8.2, the following Transfers shall be permitted hereunder:

(a) One or a series of Transfers of the direct or indirect ownership interests in any Restricted Party provided that (i) no Default or Event of Default shall have occurred and be continuing or would occur as a result of such Transfer, (ii) such Transfer shall not cause a change in Control of Borrower or Guarantor, (iii) the Property shall continue to be managed by a Manager pursuant to the Management Agreements or another Qualified Manager pursuant to a Replacement Management Agreement, (iv) after giving effect to such Transfer, subject to Section 8.2(b), either Key Principal shall continue to own, directly or indirectly, not less than the percentage of legal, beneficial and economic interests in Borrower and Managing Member as set forth on Schedule IV attached hereto and Control Borrower (provided, however, in the event one of the Key Principals does not retain his interest in Borrower or Managing Member, both Key Principals shall remain as a Guarantor), (v) Borrower shall give Lender notice of such Transfer together with copies of all instruments effecting such Transfer and the organizational documents of the transferee and its constituent parties reasonably required by Lender not less than ten (10) days prior to the date of such Transfer (provided, however, notice shall only be required in connection with a Transfer to a new owner (or to a Person who did not previously have a twenty percent (20%) interest) of a twenty percent (20%) direct or indirect interest in Borrower or a Transfer of a Controlling interest in Borrower), (vi) the legal and financial structure of Borrower and its members or partners, as applicable, and the single purpose nature and bankruptcy remoteness of Borrower and its members or partners, as applicable, after such Transfer, shall satisfy Lender's then-current applicable underwriting criteria and requirements and (vii) such Transfer shall be permitted under the Franchise Agreement and/or Borrower shall obtain any consents required from the Franchisor in connection with such Transfer and deliver the same to Lender. It is acknowledged and agreed that, notwithstanding anything to the contrary set forth in this Agreement, so long as the requirements of this Section 8.2(a) are satisfied, transfers (i) among the members of Borrower (in place as of the Closing Date) and (ii) of direct and/or indirect interests in the existing (in place as of the Closing Date) members of Borrower, shall be deemed to be permitted transfers.

(b) A Transfer of any direct or indirect ownership interests in any Restricted Party that occurs by maintenance, devise or bequest, by operation of law upon the death or incapacity of a natural person that was the holder of such interest to an Immediate Family Member of such interest holder or by establishment of a trust for the benefit of an Immediate Family Member of such interest holder, provided that (i) no Default or Event of Default shall have occurred and be continuing or would occur as a result of such Transfer (it is acknowledged and agreed that this clause (i) shall not apply to a Transfer due to the death or incapacity of a natural person), (ii) no such Transfer shall result in a change of the day-to-day

operations of the Property and the Property shall continue to be managed by a Manager pursuant to the Management Agreements or another Qualified Manager pursuant to a Replacement Management Agreement, (iii) Borrower shall give Lender notice of such Transfer together with copies of all instruments effecting such Transfer and the organizational documents of the transferee and its constituent parties reasonably required by Lender not more than ten (10) days after the date of any Transfer triggered by the death or incapacity of an individual and, otherwise, not less than ten (10) days prior to the date of such Transfer (provided, however, notice shall only be required in connection with a Transfer to a new owner (or to a Person who did not previously have a twenty percent (20%) interest) of a twenty percent (20%) direct or indirect interest in Borrower or a Transfer of a Controlling interest in Borrower), (iv) the legal and financial structure of Borrower and its members or partners, as applicable, and the single purpose nature and bankruptcy remoteness of Borrower and its members or partners, as applicable, after such Transfer, shall satisfy Lender's then-current applicable underwriting criteria and requirements , (v) such Transfer shall be permitted under the Franchise Agreement and/or Borrower shall obtain any consents required from the Franchisor, and (vi) if any such Transfer would result in a change in Control of Borrower, such Transfer is approved by Lender and, if any such Transfer (which results in change of Control of Borrower) occurs after Securitization, Borrower, shall deliver to Lender a Rating Agency Confirmation in respect of such Transfer, in each case within thirty (30) days after the date of any Transfer triggered by the death or incapacity of an individual and, otherwise, prior to the date of such Transfer.

(c) The sale, transfer or issuance of shares of common stock in any Restricted Party that is a publicly traded entity, provided such shares of common stock are listed on the New York Stock Exchange or another nationally recognized stock exchange.

(d) Notwithstanding anything in this Section 8.2 to the contrary, and without limiting any of the foregoing requirements of this Section 8.2, if after giving effect to any Transfer set forth in Section 8.2(a) or (b), (i) twenty percent (20%) or more in the aggregate of the direct or indirect ownership interests in Borrower would be owned by a Person (together with its Affiliates) which did not own twenty percent (20%) or more of the direct or indirect ownership interests in Borrower on the Closing Date or as a result of other Transfers previously made in accordance with the terms and provisions of this Agreement, then, as a condition to any such Transfer being permitted hereunder, such Person (together with its Affiliates) shall satisfy the Lender Transfer Requirements prior to the date of such Transfer or, in the case of a Transfer triggered by the death or incapacity of an individual, within thirty (30) days after the date of such Transfer, and/or (ii) forty-nine percent (49%) or more in the aggregate of the direct or indirect ownership interests in Borrower would be owned by a Person (together with its Affiliates), other than Key Principal (in the case of (x) (but not (y)) below) (subject to Section 8.2(b)), which did not own forty-nine percent (49%) or more of the direct or indirect ownership interests in Borrower on the Closing Date or as a result of other Transfers previously made in accordance with the terms and provisions of this Agreement, then, as a condition to any such Transfer being permitted hereunder, Borrower shall deliver to Lender (x) a Rating Agency Confirmation and (y) if an Insolvency Opinion has previously been delivered in connection with the Loan, a new Insolvency Opinion, in each case prior to the date of such Transfer or, in the

case of a Transfer triggered by the death or incapacity of an individual, within thirty (30) days after the date of such Transfer.

(e) For purposes of this Section 8.2, (i) an “**Immediate Family Member**” shall mean a spouse, parent, child or grandchild of any applicable Person and (ii) “**Lender Transfer Requirements**” shall require Borrower to deliver, or cause to be delivered, at Borrower’s sole cost and expense, such customary searches (including credit, negative news, OFAC, litigation, judgment, lien and bankruptcy searches) as Lender may reasonably require with respect to such transferee, its owners and/or Controlling Persons, as applicable, the results of which must be reasonably acceptable to Lender (unless such transferee, its owners and/or Controlling Persons, as applicable, were previously the subject of searches by Lender which were reasonably acceptable to Lender, in which case Borrower’s obligation to deliver or cause the delivery of such searches with respect to such Person(s) under this Section 8.2 shall be satisfied to the extent reasonably acceptable updates to such searches are delivered to Lender), and such transferee, its owners and Controlling Persons shall otherwise satisfy Lender’s then current applicable underwriting criteria and requirements.

Section 8.3 Replacement Guarantor. To the extent that any Guarantor is a natural person, the death or incapacity of such Guarantor shall be an Event of Default hereunder unless such Guarantor is replaced in accordance with this Section 8.3. Borrower shall be permitted to substitute a replacement guarantor (a “**Substitution**”) and no Event of Default shall be deemed to have occurred hereunder, provided that each of the following terms and conditions are satisfied: (a) no Default or Event of Default shall have occurred and be continuing or would occur as a result of such Substitution; (b) within thirty (30) days after the occurrence of such death or incapacity, Borrower delivers to Lender notice of its intent to substitute such Guarantor and, concurrently therewith, gives Lender all such information concerning the proposed substitute guarantor as Lender may reasonably require, including, without limitation, certified financial statements detailing assets and liabilities; (c) the replacement guarantor is a Satisfactory Replacement Guarantor; (d) within fifteen (15) days after delivery of the written notice described in the preceding clause (b), such Satisfactory Replacement Guarantor (i) assumes the obligations of Guarantor under the Guaranty and the Environmental Indemnity for events or conditions occurring prior to, as of and after the Substitution (and for so long as the decedents’ estate remains liable, the Satisfactory Replacement Guarantor’s liability shall be limited to events or conditions occurring after the Substitution; provided, however, if such estate is closed out, such Satisfactory Replacement Guarantor shall become liable for events or conditions occurring prior to, as of and after the Substitution) or (ii) executes and delivers to Lender a replacement guaranty and a replacement environmental indemnity in each case in form and substance the same as the Guaranty and the Environmental Indemnity, respectively, and otherwise reasonably acceptable to Lender, for events or conditions occurring prior to, as of and after the Substitution (and for so long as the decedents’ estate remains liable, the Satisfactory Replacement Guarantor’s liability shall be limited to events or conditions occurring after the Substitution; provided, however, if such estate is closed out, such Satisfactory Replacement Guarantor shall become liable for events or conditions occurring prior to, as of and after the Substitution); (e) concurrently with such assumption or execution and delivery (i) such Satisfactory Replacement Guarantor delivers to Lender a spousal consent in form and substance acceptable to Lender, as and to the extent

applicable, and (ii) each of Borrower, the remaining Guarantor and/or such Satisfactory Replacement Guarantor, as applicable, affirms each of their respective obligations under the Loan Documents; (f) Borrower delivers to Lender a Rating Agency Confirmation with respect to such Substitution; (g) if required by Lender or the Rating Agencies, Borrower delivers to Lender an opinion from counsel, and in form and substance, in each case reasonably acceptable to Lender and acceptable to the Rating Agencies in their sole discretion stating, among other things, (i) that the Guaranty and the Environmental Indemnity (or the replacement guaranty and environmental indemnity, as the case may be) are enforceable against such Satisfactory Replacement Guarantor in accordance with their terms and (ii) that any REMIC Trust formed pursuant to a Securitization will not fail to maintain its status as a “real estate mortgage investment conduit” within the meaning of Section 860D of the Code or be subject to tax as a result of such Substitution; and (h) if required by Lender or the Rating Agencies and an Insolvency Opinion has previously been delivered in connection with the Loan, Borrower delivers to Lender a new Insolvency Opinion. No such death or replacement of a Guarantor shall hinder, impair, limit, terminate or effectuate a novation of the obligations or liabilities of any other Guarantor under any of the Loan Documents. As used herein, the term **“Satisfactory Replacement Guarantor”** shall mean a replacement guarantor that is acceptable to Lender, which determination shall be based upon, inter alia, (A) such replacement guarantor having (1) a direct or indirect ownership interest in Borrower, which is reasonably satisfactory to Lender, and (2) in the event that the other remaining Guarantor does not have the ability to Control Borrower, the ability to Control Borrower, (B) such replacement guarantor having a net worth of at least \$15,000,000.00 and liquidity of at least \$2,000,000.00 and otherwise be reasonably satisfactory to Lender, (C) Lender’s receipt of searches (including credit, negative news, OFAC, litigation, judgment, lien and bankruptcy searches) reasonably required by Lender on such replacement guarantor, the results of which must be reasonably acceptable to Lender, (D) such replacement guarantor otherwise satisfying Lender’s then current applicable underwriting criteria and requirements, and (E) such replacement guarantor being an experienced operator and/or owner of properties similar in location, size, class, use, operation and value as the Property or retains the services of a Qualified Manager, as evidenced by financial statements and other information reasonably requested by Lender or requested by the Rating Agencies.

Section 8.4 Intentionally Omitted.

Section 8.5 Costs and Expenses.Borrower shall pay all reasonable costs and expenses actually incurred by Lender in connection with any Transfer, assumption and/or replacement of any Guarantor including, without limitation, the cost of any Rating Agency Confirmation and all reasonable fees and expenses of Lender’s counsel, and the cost of any required counsel opinions, including, without limitation, Insolvency Opinions and opinions related to REMIC Trusts or other securitization or tax issues.

Section 8.6 Compliance with other Covenants.The foregoing provisions of this Article 8 shall not be deemed to waive, qualify or otherwise limit Borrower’s obligation to comply (or cause the compliance with) the other covenants set forth in this Agreement and the other Loan Documents (including, without limitation, those covenants relating to OFAC and ERISA matters).

ARTICLE 9: SALE AND SECURITIZATION OF MORTGAGE

Section 9.1 Sale of Mortgage and Securitization.

(a) Lender shall have the right (i) to sell, assign, pledge or otherwise transfer the Loan or any portion thereof or interest therein to any Person, (ii) to sell participation interests in the Loan to any Person, or (iii) to securitize the Loan or any portion thereof or interest therein in one or more private or public single asset or pooled loan securitizations. (The transactions referred to in clauses (i), (ii) and (iii) are each hereinafter referred to as a “**Secondary Market Transaction**” and the transactions referred to in clause (iii) shall hereinafter be referred to as a “**Securitization**”. Any certificates, notes or other securities issued in connection with a Securitization are hereinafter referred to as “**Securities**”).

(b) If requested by Lender, Borrower shall assist Lender in satisfying the market standards to which Lender customarily adheres or which may be reasonably required in the marketplace or by the Rating Agencies or applicable Legal Requirements in connection with any Secondary Market Transactions, including to:

(i) (A) provide updated financial and other information with respect to the Property, the business operated at the Property, Borrower, Guarantor, any Affiliate of Borrower or Guarantor (it being acknowledged and agreed that owners of less than 20% of the direct and/or indirect interest in Borrower and Guarantor, as well as a Person who does not Control Borrower or Guarantor shall not be required to deliver financial information) and any Manager, to the extent available to Borrower, and including, without limitation, the information set forth on Schedule VI attached hereto, (B) provide updated budgets and rent rolls (including itemized percentage of floor area occupied and percentage of aggregate base rent for each Tenant) relating to the Property, and (C) provide updated appraisals, market studies, environmental reviews (Phase I's and, if appropriate, Phase II's), property condition reports and other due diligence investigations of the Property (the information referred to in clauses (A), (B) and (C) shall hereinafter be referred to collectively as “**Updated Information**”), together, if customary, with appropriate verification of the Updated Information through letters of auditors, certificates of third party service providers or opinions of counsel reasonably acceptable to Lender and acceptable to the Rating Agencies;

(ii) provide opinions of counsel, which may be relied upon by Lender and the NRSROs, and their respective counsel, agents and representatives, as to bankruptcy non-consolidation, fraudulent conveyance and true sale, or any other opinion customary in Secondary Market Transactions or required by the Rating Agencies with respect to the Property, Borrower, Guarantor and any Affiliate of Borrower or Guarantor, which counsel and opinions shall be reasonably satisfactory to Lender and satisfactory to the Rating Agencies in their sole discretion;

(iii) provide updated (as of the closing date of any Secondary Market Transaction) representations and warranties made in the Loan Documents and such additional representations and warranties as Lender reasonably may require or the Rating Agencies may require;

(iv) subject to Section 9.3, execute modifications and amendments to the Loan Documents and Borrower's organizational documents as Lender or the Rating Agencies may require;

(v) provide access to, and conduct tours of, the Property; and

(vi) provide certifications or other evidence of reliance reasonably acceptable to Lender and acceptable to the Rating Agencies with respect to third party reports and other information obtained in connection with the origination of the Loan or any Updated Information.

(c) Borrower agrees that (i) Lender may disclose any information relating to Property, the business operated at the Property, Borrower, Guarantor, any Affiliate of Borrower or Guarantor, any Manager (to the extent Borrower has such information), the Loan (including information provided by or on behalf of Borrower or any of its Affiliates to Lender) to any Person (including, but not limited to, investors or prospective investors in the Securities, the NRSROs, investment banking firms, accounting firms, law firms and other third-party advisory and service providers relating to a Securitization) actually or potentially involved in or related to any Secondary Market Transaction or any other Person reasonably requesting such information and (ii) the findings and conclusions of any third-party due diligence report obtained by Lender or other Indemnified Persons may be made publicly available if required, and in the manner prescribed, by applicable Legal Requirements.

(d) If requested by Lender, Borrower shall provide Lender, promptly upon request, with any financial statements, financial, statistical or operating information or other information as Lender shall reasonably determine is necessary or appropriate (including items required (or items that would be required if the Securities issued in connection with a Securitization were offered publicly) to satisfy any and all disclosure requirements pursuant to the Securities Act (including, but not limited to, Regulation AB), the Exchange Act, any other applicable securities laws or any amendment, modification or replacement to any of the foregoing, items required by any other Legal Requirements and items required to satisfy the market standards to which Lender customarily adheres or which may be reasonably required in the marketplace or by the Rating Agencies), in each case, in connection with any Disclosure Document or any Exchange Act Filing or as may otherwise be reasonably requested by Lender.

Section 9.2 Securitization Indemnification.

(a) Borrower understands and agrees that information provided to Lender by Borrower or its agents, counsel and representatives may be included in Disclosure Documents in connection with a Securitization and may also be included in filings with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "**Securities Act**"), or the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"), and may be made available to investors or prospective investors in the Securities, the

NRSROs, investment banking firms, accounting firms, law firms and other third-party advisory and service providers relating to a Securitization.

(b) Borrower hereby agrees (i) to indemnify Lender, any

Affiliate of Lender that has filed any registration statement relating to a Securitization or has acted as the issuer, sponsor, depositor or seller in connection with a Securitization, any Affiliate of Lender that acts as an underwriter, placement agent or initial purchaser of Securities issued in connection with a Securitization, any other issuers, depositors, underwriters, placement agents or initial purchasers of Securities issued in connection with a Securitization, and each of their respective officers, directors, partners, employees, representatives, agents and Affiliates, and each Person that controls any such Person within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "**Indemnified Persons**") for any losses, liabilities, obligations, claims, damages, penalties, actions, judgments, suits, costs and expenses (collectively, the "**Liabilities**") to which any Indemnified Person actually incur insofar as the Liabilities arise out of or are based upon (A) any untrue statement or alleged untrue statement of any material fact contained in the information provided to Lender by Borrower, any Affiliate of Borrower or any of their respective agents, counsel or representatives, (B) the omission or alleged omission to state therein a material fact required to be stated in such information or necessary in order to make the statements in such information, in light of the circumstances under which they were made, not misleading and/or (C) a breach of the representations and warranties made by Borrower in Section 3.1.40 of this Agreement and (ii) to reimburse each Indemnified Person for any reasonable legal or other expenses reasonably incurred by such Indemnified Person in connection with investigating or defending the Liabilities; provided, however, that Borrower will be liable in any such case under clauses (i) or (ii) above only to the extent that any such Liability arises out of, or is based upon, an untrue statement, alleged untrue statement, omission or alleged omission made in reliance upon and in conformity with (x) information furnished by or on behalf of Borrower (1) in connection with the preparation of the Disclosure Documents or (2) in connection with the underwriting or closing of the Loan or (y) any of the reports, statements or other information furnished by or on behalf of Borrower pursuant to the terms of this Agreement, including, without limitation, financial statements of Borrower and operating statements and rent rolls with respect to the Property. This indemnity will be in addition to any liability which Borrower may otherwise have.

(c) In connection with any Exchange Act Filing or other

reports containing comparable information that are required to be made available to holders of the Securities under Regulation AB or other applicable Legal Requirements, Borrower shall (i) indemnify the Indemnified Persons for Liabilities to which any Indemnified Person may become subject insofar as the Liabilities arise out of or are based upon an untrue statement, alleged untrue statement, omission or alleged omission made in reliance upon and in conformity with (x) information furnished by or on behalf of Borrower (1) in connection with the preparation of the Disclosure Documents or (2) in connection with the underwriting or closing of the Loan or (y) any of the reports, statements or other information furnished by or on behalf of Borrower pursuant to the terms of this Agreement, including, without limitation, financial statements of Borrower and operating statements and rent rolls with respect to the Property, and

(ii) reimburse each Indemnified Person for any legal or other expenses reasonably incurred by such Indemnified Person in connection with investigating or defending the Liabilities.

(d) Promptly after receipt by an Indemnified Person of notice of a claim or the commencement of any action, such Indemnified Person will, if a claim in respect thereof is to be made against Borrower, notify Borrower in writing of the commencement thereof, but the omission to so notify Borrower will not relieve Borrower from any liability which it may have to any Indemnified Person under this Section 9.2 except to the extent that failure to notify materially prejudices Borrower. In the event that any action is brought against any Indemnified Person, and it notifies Borrower of the commencement thereof, Borrower will be entitled to participate therein and, to the extent that it may elect by written notice delivered to the Indemnified Person promptly after receiving the aforesaid notice from such Indemnified Person, to assume the defense thereof with counsel satisfactory to such Indemnified Person. After notice from Borrower to such Indemnified Person of Borrower's election to assume the defense of such action, such Indemnified Person shall pay for any legal or other expenses subsequently incurred by such Indemnified Person in connection with the defense thereof other than reasonable costs of investigation; provided, however, if the defendants in any such action include both Indemnified Person and Borrower and the Indemnified Person shall have reasonably concluded that there are legal defenses available to it and/or other Indemnified Persons that are different from or additional to those available to Borrower, the Indemnified Person or Persons shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such Indemnified Person or Persons at the cost of Borrower. Borrower shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) unless an Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to another Indemnified Person.

(e) In order to provide for just and equitable contribution in circumstances in which any indemnification or reimbursement under this Section 9.2 is for any reason held to be unenforceable as to an Indemnified Person in respect of any Liabilities (or action in respect thereof) referred to herein which would otherwise be indemnifiable under this Section 9.2, Borrower shall contribute to the amount paid or payable by the Indemnified Person as a result of such Liabilities (or action in respect thereof); provided, however, that no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, the following factors shall be considered: (i) Lender's and Borrower's relative knowledge and access to information concerning the matter with respect to which the claim was asserted; (ii) the opportunity to correct and prevent any statement or omission; and (iii) any other equitable considerations appropriate in the circumstances. Lender and Borrower hereby agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation.

(f) Without limiting the generality of this Section 9.2, Borrower hereby agrees (i) to indemnify the Indemnified Persons against any Liabilities to which

any Indemnified Persons may become subject in connection with any indemnification to the NRSROs in connection with issuing, monitoring or maintaining the Securities insofar as the Liabilities arise out of or are based upon (A) any untrue statement or alleged untrue statement of any material fact contained in the information provided to Lender or one or more of the NRSROs by Borrower, any Affiliate of Borrower or any of their respective agents, counsel or representatives, (B) the omission or alleged omission to state therein a material fact required to be stated in such information or necessary in order to make the statements in such information, in light of the circumstances under which they were made, not misleading and/or (C) a breach of the representations and warranties made by Borrower in Section 3.1.40 of this Agreement and (ii) to reimburse each Indemnified Person for any legal or other expenses reasonably incurred by such Indemnified Person in connection with investigating or defending such Liabilities; provided, however, that, other than in connection with information provided by Borrower, any Affiliate of Borrower or any of their respective agents, counsel or representatives directly to one or more of the NRSROs, Borrower will be liable in any such case under clauses (i) or (ii) above only to the extent that any such Liability arises out of, or is based upon, an untrue statement, alleged untrue statement, omission or alleged omission made in reliance upon and in conformity with (x) information furnished by or on behalf of Borrower (1) in connection with the issuance, monitoring or maintenance of the Securities or (2) in connection with the underwriting or closing of the Loan or (y) any of the reports, statements or other information furnished by or on behalf of Borrower pursuant to the terms of this Agreement, including, without limitation, financial statements of Borrower and operating statements and rent rolls with respect to the Property. This indemnity will be in addition to any liability which Borrower may otherwise have.

(g) For the avoidance of doubt, and without limiting the generality of the foregoing, "Indemnified Persons" shall include the initial named Lender hereunder and each other Lender that has held an interest in the Loan at any time during the Term, including prior to the occurrence of the act or omission giving rise to the applicable Liabilities.

(h) The liabilities and obligations of both Borrower and Lender under this Section 9.2 shall survive the termination of this Agreement and the satisfaction and discharge of the Obligations.

Section 9.3 Severance Documentation. Lender shall have the right, at Lender's expense, at any time (whether prior to or after any Secondary Market Transaction in respect of all or any portion of the Loan), to modify, split and/or sever the Loan one or more times in order to (a) create (i) one or more new loans (including first and second mortgage loans), (ii) one or more new notes (including senior and junior notes (i.e., A/B and A/B/C structure)), (iii) multiple components of the Note or Notes and/or (iv) one or more mezzanine loans (a "**New Mezzanine Loan**") (including amending Borrower's organizational structure and the organizational documents of Borrower and its direct and indirect shareholders, partners, members and non-member managers to provide for one or more mezzanine borrowers), (b) reduce the number of loans, notes and/or components, (c) revise the interest rates of the loans, notes and/or components, (d) allocate and reallocate the principal balances of the loans, notes and/or components, (e) increase or decrease the monthly debt service payments for the loans, notes

and/or components, (f) eliminate the multiple loan, note and/or component structure (including the elimination of the related allocations of principal and interest payments) or (g) otherwise achieve the optimum execution for a Secondary Market Transaction; provided, however, that in modifying, splitting and/or severing the Loan as provided above and in all cases (1) Borrower shall not be required to modify the Stated Maturity Date, (2) the aggregate principal amount of all such loans, notes and/or components shall, on the date created, equal the Outstanding Principal Balance immediately prior to the creation of such loans, notes and/or components, (3) the weighted average interest rate of all such loans, notes and/or components shall, on the date created, equal the interest rate applicable to the Loan immediately prior to the creation of such loans, notes and/or components (except that the weighted average interest rate may subsequently increase as a result of prepayments made in accordance with Section 2.7 hereof or following a Casualty, Condemnation or Event of Default), and (4) the scheduled debt service payments on all such loans, notes and/or components shall, on the date created, equal the scheduled debt service payments under the Loan immediately prior to the creation of such loans, notes and/or components. At Lender's election, each note comprising the Loan may be subject to one or more Secondary Market Transactions. Lender shall have the right to modify, split and/or sever the Loan in accordance with this Section 9.3 and, provided that such modification, split and/or severance shall comply with the terms of this Section 9.3, it shall become immediately effective. If requested by Lender, Borrower shall promptly execute an amendment to the Loan Documents to evidence any such modification, split and/or severance including, without limitation, an amendment to the Cash Management Agreement to reflect the newly created loans, notes and/or components. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect and modification, split and/or severance as described in this Section 9.3, Borrower ratifying all that its said attorney shall do by virtue thereof; provided, however, Lender shall not make or execute any such documents under such power until three (3) Business Days after notice has been given to Borrower by Lender of Lender's intent to exercise its rights under such power.

Section 9.4 Secondary Market Transaction Costs. All costs and expenses incurred by Borrower, Guarantor, any Manager and their respective Affiliates in connection with Sections 9.1 (including, without limitation, the fees and expenses of the Rating Agencies) shall be paid by Lender.

ARTICLE 10:DEFAULTS

Section 10.1 Events of Default.

(a) Each of the following events shall constitute an event of default hereunder (each, an "**Event of Default**"):

 (i) if any monthly installment of principal and/or interest due under the Note or any payment of Reserve Funds due under this Agreement or the payment of the Obligations due on the Maturity Date is not paid when due;

(ii) if any other portion of the Obligations (other than as set forth in the foregoing clause (i)) is not paid when due and such non-payment continues for five (5) days following written notice to Borrower that the same is due and payable;

(iii) if any of the Taxes or Other Charges are not paid prior to the date the same shall become delinquent (subject to the right to contest in accordance with Section 4.1.3 hereof) unless amounts sufficient to pay such Taxes or Other Charges are on deposit with Lender in the Tax Account and Lender fails to release such funds for the payment thereof in violation of this Agreement;

(iv) if the Policies are not (A) delivered to Lender or (B) kept in full force and effect, each in accordance with the terms and conditions hereof;

(v) subject to the provisions of Article 8 hereof, if Borrower breaches or permits or suffers a breach of the provisions of Section 4.2.1;

(vi) if any representation or warranty made by Borrower or any Guarantor in any Loan Document, or in any report, certificate, financial statement or other instrument, agreement or document furnished to Lender shall have been false or misleading in any material respect as of the date such representation or warranty was made, provided, however, that a breach shall not constitute an Event of Default if (i) such breach was inadvertent, immaterial and non-recurring and does not result in a Material Adverse Effect, and (ii) such breach is curable and Borrower promptly cures such breach within five (5) Business Days of written notice from Lender;

(vii) (A) if Borrower shall make an assignment for the benefit of creditors or (B) upon the declaration by Lender in its sole and absolute discretion that the same constitutes an Event of Default, if any Guarantor shall make an assignment for the benefit of creditors;

(viii) (A) if a receiver, liquidator or trustee shall be appointed for Borrower or if Borrower shall be adjudicated a bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to federal, state, local or foreign bankruptcy law, or any similar federal, state, local or foreign law, shall be filed by or against, consented to, or acquiesced in by, Borrower, or if any proceeding for the dissolution or liquidation of Borrower shall be instituted; provided, however, if such appointment, adjudication, petition or proceeding was involuntary and not consented to by Borrower or Borrower, upon the same not being discharged, stayed or dismissed within sixty (60) days or (B) upon the declaration by Lender in its sole and absolute discretion that the same constitutes an Event of Default, if a receiver, liquidator or trustee shall be appointed for any Guarantor or if Guarantor shall be adjudicated a bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to federal, state, local or foreign bankruptcy law, or any similar federal, state, local or foreign law, shall be filed by or against, consented to, or acquiesced in by, any Guarantor, or if any proceeding for the dissolution or liquidation of any Guarantor shall be instituted; provided, however, if such appointment, adjudication, petition or proceeding was

involuntary and not consented to by the applicable Guarantor, upon the same not being discharged, stayed or dismissed within sixty (60) days;

(ix) if Borrower attempts to assign its rights or delegate its duties under any of the Loan Documents or any interest herein or therein in contravention of the Loan Documents;

(x) intentionally omitted;

(xi) if Borrower breaches any representation, warranty or covenant contained in Sections 3.1.24 or 4.1.15 hereof or on Schedule III (with respect to subsections (a), (b), (d), (e), (g), (k), (n), (o) and (s)) attached hereto); provided, however, that a breach shall not constitute an Event of Default if (i) such breach was inadvertent, immaterial and non-recurring and does not result in a Material Adverse Effect, and (ii) such breach is curable and Borrower promptly cures such breach within five (5) Business Days of notice from Lender;

(xii) if Borrower shall be in default under any mortgage or security agreement covering any part of the Property whether it be superior or junior in Lien to the Mortgage;

(xiii) subject to Borrower's right to contest as provided in Section 3.6 of the Mortgage, if the Property becomes subject to any mechanic's, materialman's or other Lien except a Lien for Taxes not then due and payable;

(xiv) except as permitted herein, the alteration, improvement, demolition or removal of any of the Improvements without the prior written consent of Lender;

(xv) if, without Lender's prior written consent (as provided in Section 7.2.1 of this Agreement), (A) a Management Agreement is surrendered, terminated, canceled, modified in any material respect, renewed, extended or otherwise allowed to expire (other than, in the case of a renewal or extension, a renewal or extension provided for in the Management Agreement), (B) the ownership, management or Control of an Affiliated Manager is Transferred other than in accordance with the terms hereof, (C) Borrower defaults under a Management Agreement beyond the expiration of any applicable notice and/or cure periods thereunder, which default permits a Manager to terminate or cancel the Management Agreement or could otherwise have a Material Adverse Effect or (D) Borrower waives or releases any of its right or remedies under the Management Agreements in any material respect, unless in the case of an expiration or a termination or cancellation by a Manager (other than any such termination or cancellation by an Affiliate Manager or that Borrower, any Guarantor, any Affiliate of Borrower or any Guarantor or any of their respective agents or representatives has consented to, solicited, requested or otherwise colluded with Manager with respect to), Borrower, contemporaneously with such expiration, termination or cancellation, enters into a Replacement Management Agreement with a Qualified Manager in accordance with the applicable terms and conditions of this Agreement;

(xvi) if, without Lender's prior written consent (as provided in Section 7.2.2 of this Agreement), (A) the Franchise Agreement is surrendered, terminated, canceled, modified in any material respect, renewed, extended or otherwise allowed to expire (other than, in the case of a renewal or extension, a renewal or extension provided for in the Franchise Agreement), (B) the ownership, management or Control of an Affiliated Franchisor is Transferred other than in accordance with the terms hereof, (C) Borrower defaults under the Franchise Agreement beyond the expiration of any applicable notice and/or cure periods thereunder, which default permits Franchisor to terminate or cancel the Franchise Agreement or could otherwise have a Material Adverse Effect or (D) Borrower waives or releases any of its right or remedies under the Franchise Agreement in any material respect, unless in the case of an expiration or a termination or cancellation by Franchisor (other than any such termination or cancellation by an Affiliate Franchisor or that Borrower, any Guarantor, any Affiliate of Borrower or any Guarantor or any of their respective agents or representatives has consented to, solicited, requested or otherwise colluded with Franchisor with respect to), Borrower, contemporaneously with such expiration, termination or cancellation, enters into a Replacement Franchise Agreement with a Qualified Franchisor in accordance with the applicable terms and conditions of this Agreement;

(xvii) subject to force majeure, if Borrower ceases to continuously operate or cause to be continuously operated, the Property or any material portion thereof as a hotel for any reason whatsoever (other than temporary cessation in connection with any Casualty, Condemnation or repair or renovation thereof undertaken in compliance with this Agreement);

(xviii) If Borrower fails to replace Guarantor with a Satisfactory Replacement Guarantor upon the death or incapacity of Guarantor in accordance with the terms and provisions of Section 8.3 hereof;

(xix) intentionally omitted;

(xx) intentionally omitted;

(xxi) intentionally omitted;

(xxii) intentionally omitted;

(xxiii) if Borrower shall continue to be in Default under any of the other terms, covenants or conditions of this Agreement not specified in subsections (i) to (xxii) above, (A) for ten (10) days after the earlier of (1) Borrower's knowledge thereof and (2) notice to Borrower from Lender, in the case of any Default which can be cured by the payment of a sum of money, or (B) for thirty (30) days after the earlier of (1) Borrower's knowledge thereof and (2) notice to Borrower from Lender, in the case of any other Default; provided, however, that if such non-monetary Default is susceptible of cure but cannot reasonably be cured within such 30-day period; and provided, further, that Borrower shall have commenced to cure such Default within such 30-day period and shall thereafter diligently and expeditiously proceed to cure the same, such 30-day period shall be extended for such additional

time as is reasonably necessary for Borrower in the exercise of due diligence to cure such Default, such additional period not to exceed sixty (60) days; or

(xxiv) if there shall be a default under any of the other Loan Documents beyond any applicable notice and/or cure periods contained in such Loan Documents, whether as to Borrower, any Guarantor, any Manager, (to the extent a party to any of the Loan Documents) the Property or any other Person (to the extent a party to any of the Loan Documents) (other than Lender), or if any other such event shall occur or condition shall exist, and the effect of such event or condition is to accelerate the maturity of any portion of the Obligations or to permit Lender to accelerate the maturity of all or any portion of the Obligations.

(b) Upon the occurrence of an Event of Default (other than an Event of Default described in clauses (vii), (viii) or (ix) above) and at any time thereafter Lender may, in addition to any other rights or remedies available to it pursuant to the Loan Documents or at law or in equity, take such action, without notice or demand, that Lender deems advisable to protect and enforce its rights against Borrower and in and to the Property, including declaring the Obligations to be immediately due and payable, and Lender may enforce or avail itself of any or all rights or remedies provided in the Loan Documents against Borrower and the Property, including all rights or remedies available at law or in equity; and upon any Event of Default described in clauses (vii), (viii) or (ix) above, the Debt and all other Obligations of Borrower under the Loan Documents shall immediately and automatically become due and payable, without notice or demand, and Borrower hereby expressly waives any such notice or demand, anything contained in any Loan Document to the contrary notwithstanding.

Section 10.2 Remedies.

(a) Upon the occurrence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to Lender against Borrower under the Loan Documents executed and delivered by, or applicable to, Borrower or at law or in equity may be exercised by Lender at any time and from time to time, whether or not all or any of the Obligations shall be declared due and payable, and whether or not Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Loan Documents with respect to the Property. Any such actions taken by Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of Lender permitted by law, equity or contract or as set forth in the Loan Documents. Without limiting the generality of the foregoing, if an Event of Default is continuing (i) Lender shall not be subject to any "one action" or "election of remedies" law or rule, and (ii) all Liens and other rights, remedies or privileges provided to Lender shall remain in full force and effect until Lender has exhausted all of its remedies against the Property and the Mortgage has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Obligations or the Obligations have been paid in full.

(b) Upon the occurrence of an Event of Default, Lender shall have the right from time to time to partially foreclose the Mortgage in any manner and for any amounts secured by the Mortgage then due and payable as determined by Lender in its sole discretion including the following circumstances: (i) in the event Borrower defaults beyond any applicable grace period in the payment of one or more scheduled payments of principal and interest, Lender may foreclose the Mortgage to recover such delinquent payments, or (ii) in the event Lender elects to accelerate less than the entire Outstanding Principal Balance, Lender may foreclose the Mortgage to recover so much of the principal balance of the Loan as Lender may accelerate and such other sums secured by the Mortgage as Lender may elect. Notwithstanding one or more partial foreclosures, the Property shall remain subject to the Mortgage to secure payment of the sums secured by the Mortgage and not previously recovered.

(c) Lender shall have the right from time to time to sever the Note and the other Loan Documents into one or more separate notes, mortgages and other security documents (the “**Severed Loan Documents**”) in such denominations as Lender shall determine in its sole discretion for purposes of evidencing and enforcing its rights and remedies provided hereunder. Borrower shall execute and deliver to Lender from time to time, promptly after the request of Lender, a severance agreement and such other documents as Lender shall request in order to effect the severance described in the preceding sentence, all in form and substance reasonably satisfactory to Lender. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect the aforesaid severance, Borrower ratifying all that its said attorney shall do by virtue thereof. Borrower shall be obligated to pay all costs and expenses incurred in connection with the preparation, execution, recording and filing of the Severed Loan Documents. The Severed Loan Documents shall not contain any representations, warranties or covenants not contained in the Loan Documents and any such representations and warranties contained in the Severed Loan Documents will be given by Borrower only as of the Closing Date.

(d) Any amounts recovered from the Property or any other collateral for the Loan after an Event of Default may be applied by Lender toward the payment of any interest and/or principal of the Loan and/or any other amounts due under the Loan Documents in such order, priority and proportions as Lender in its sole discretion shall determine.

Section 10.3 Lender’s Right to Perform. If Borrower fails to perform any covenant or obligation contained in the Loan Documents after expiration of any notice and cure period, without in any way limiting Lender’s right to exercise any of its rights, powers or remedies as provided under any of the Loan Documents or releasing Borrower from any covenant or obligation under the Loan Documents, Lender may, but shall have no obligation to, perform, or cause the performance of, such covenant or obligation, and all costs, expenses, liabilities, penalties and fines of Lender incurred or paid in connection therewith shall be payable by Borrower to Lender upon demand, and if not paid shall be added to the Obligations (and to the extent permitted under applicable laws, secured by the Mortgage and the other Loan Documents)

and shall bear interest at the Default Rate. Except as set forth herein, Lender shall have no obligation to send notice to Borrower of any such failure.

Section 10.4 Remedies Cumulative. The rights, powers and remedies of Lender under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which Lender may have against Borrower pursuant to the Loan Documents, or existing at law or in equity or otherwise. Lender's rights, powers and remedies may be pursued singly, concurrently or otherwise, at such time and in such order as Lender may determine in Lender's sole discretion. No delay or omission to exercise any remedy, right or power accruing upon an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Default or Event of Default with respect to Borrower shall not be construed to be a waiver of any subsequent Default or Event of Default by Borrower or to impair any remedy, right or power consequent thereon.

ARTICLE 11:MISCELLANEOUS

Section 11.1 Successors and Assigns; Assignments and Participations. Except as expressly permitted under Section 8.1, Borrower may not assign, transfer or delegate its rights or obligations under the Loan Documents without Lender's prior written consent, and any attempted assignment, transfer or delegation without such consent shall be null and void. Lender may assign, pledge, participate, transfer or delegate, as applicable, to one or more Persons, all or a portion of its rights and obligations under the Loan Documents. The assigning Lender shall have no further obligations under the Loan Documents from and after the date of any such assignment or transfer. In connection with any such assignment, pledge, participation, transfer or delegation, Lender may disclose to the assignee, pledgee, participant, transferee or delegee or proposed assignee, pledgee, participant, transferee or delegee, as the case may be, any information relating to Borrower or any of its Affiliates or to any aspect of the Loan that has been furnished to Lender by or on behalf of Borrower or any of its Affiliates. All covenants, promises and agreements in this Agreement, by or on behalf of Borrower, shall inure to the benefit of the legal representatives, successors and assigns of Lender.

Section 11.2 Lender's Discretion. Whenever pursuant to this Agreement Lender exercises any right given to it to approve or disapprove any matter, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove such matter or to decide whether arrangements or terms are satisfactory or not satisfactory shall (except as is otherwise specifically herein provided) be in the sole and absolute discretion of Lender and shall be final and conclusive. Prior to a Securitization, whenever pursuant to this Agreement the Rating Agencies are given any right to approve or disapprove any matter, or any arrangement or term is to be satisfactory to the Rating Agencies, the decision of Lender to approve or disapprove such matter, or to decide whether arrangements or terms are satisfactory or not satisfactory, shall be substituted therefor, which such decision shall be based upon Lender's determination of Rating Agency criteria (unless Lender has an independent approval right in respect of the matter at issue pursuant to the terms of this Agreement, in which case the discretion afforded to Lender in connection with such independent approval right shall apply instead).

Section 11.3 Governing Law.

(A) THIS AGREEMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, AND DELIVERED TO LENDER BY BORROWER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE DELIVERED PURSUANT HERETO WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT AND THE NOTE, AND THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(B) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND BORROWER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. BORROWER DOES HEREBY DESIGNATE AND APPOINT:

CT Corporation System
111 Eighth Avenue
New York, New York 10011

AS ITS AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN NEW YORK, NEW YORK, AND BORROWER AGREES THAT SERVICE OF PROCESS UPON SAID AGENT AT SAID ADDRESS AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO BORROWER IN THE MANNER PROVIDED

HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON BORROWER, IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. BORROWER (i) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGED ADDRESS OF ITS AUTHORIZED AGENT HEREUNDER, (ii) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE A SUBSTITUTE AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH SUBSTITUTE AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (iii) SHALL PROMPTLY DESIGNATE SUCH A SUBSTITUTE IF ITS AUTHORIZED AGENT CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

Section 11.4 Modification, Waiver in Writing. No modification, amendment, extension, discharge, termination or waiver of any provision of any Loan Document, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in a writing signed by the party or parties against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the specific purpose, for which given. Except as otherwise expressly provided herein, no notice to, or demand on Borrower, shall entitle Borrower to any other or future notice or demand in the same, similar or other circumstances.

Section 11.5 Delay Not a Waiver. Neither any failure nor any delay on the part of Lender in insisting upon strict performance of any term, condition, covenant or agreement, or exercising any right, power, remedy or privilege under any Loan Document, shall operate as or constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise, or the exercise of any other right, power, remedy or privilege. In particular, and not by way of limitation, by accepting payment after the due date of any amount payable under any Loan Document, Lender shall not be deemed to have waived any right either to require prompt payment when due of all other amounts due under the Loan Documents, or to declare a default for failure to effect prompt payment of any such other amount. Lender shall have the right to waive or reduce any time periods that Lender is entitled to under the Loan Documents in its sole and absolute discretion.

Section 11.6 Notices.

(a) All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a “**Notice**”) required, permitted or desired to be given hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid, return receipt requested, or delivered by hand or by reputable overnight courier addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Section 11.6. Any Notice shall be deemed to have been received: (i) three (3) days after the date such Notice is mailed, if sent by registered or certified mail, (ii) on the date of delivery by hand, if delivered during business hours on a Business Day (otherwise on the next Business Day), and (iii) on the next Business Day, if sent by an overnight commercial courier, in each case addressed to the parties as follows:

If to Lender: Ladder Capital Finance LLC
 345 Park Avenue, 8th Floor
 New York, New York 10154
 Attention: Mark Ableman

with a copy to: Ladder Capital Finance LLC
 345 Park Avenue, 8th Floor
 New York, New York 10154
 Attention: Kelly Porcella

with a copy to: Winstead PC
 201 North Tryon Street, Suite 2000
 Charlotte, North Carolina 28202
 Attention: Annie R. George

and with a copy to: Wells Fargo Bank National Association
 Commercial Mortgage Servicing
 MAC D1086-120
 550 South Tryon Street, 14th Floor
 Charlotte, North Carolina 28202
 Attention: Asset Management

If to Borrower: Waramaug Hauppauge LLC
 2500 North Military Trail, Suite 275
 Boca Raton, Florida 33431
 Attention: Craig Nussbaum

with a copy to: Kelley Drye & Warren LLP
 101 Park Avenue, 27th Floor
 New York, New York 10178
 Attention: Karyn E. Fulton

(b) Any party may change the address to which any such Notice is to be delivered, by furnishing ten (10) days' written notice of such change to the other parties in accordance with the provisions of this Section 11.6. Notices shall be deemed to have been given on the date as set forth above, even if there is an inability to actually deliver any such Notice because of a changed address of which no Notice was given, or there is a rejection or refusal to accept any Notice offered for delivery. Notice for any party may be given by its respective counsel. Additionally, Notice from Lender may also be given by Servicer and Lender hereby acknowledges and agrees that Borrower shall be entitled to rely on any Notice given by Servicer as if it had been sent by Lender.

Section 11.7 Trial by Jury. BORROWER AND LENDER EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT

BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND LENDER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER.

Section 11.8 Headings. The Article and/or Section headings and the Table of Contents in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 11.9 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under any Legal Requirements, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 11.10 Preferences. Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by Borrower to any portion of the Obligations of Borrower hereunder. To the extent Borrower makes a payment or payments to Lender, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, federal, state, local or foreign law, common law or equitable cause, then, to the extent of such payment or proceeds received shall be deposited in accordance with applicable law, the Obligations hereunder or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by Lender.

Section 11.11 Waiver of Notice. Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which the Loan Documents specifically and expressly provide for the giving of notice by Lender to Borrower and except with respect to matters for which Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter for which the Loan Documents do not specifically and expressly provide for the giving of notice by Lender to Borrower.

Section 11.12 Remedies of Borrower. In the event that a claim or adjudication is made that Lender or its agents have acted unreasonably or unreasonably delayed acting in any case where, by law or under the Loan Documents, Lender or such agent, as the case may be, has an obligation to act reasonably or promptly, neither Lender nor its agents shall be liable for any monetary damages, and Borrower's sole remedy shall be limited to commencing an action

seeking injunctive relief or declaratory judgment. Any action or proceeding to determine whether Lender has acted reasonably shall be determined by an action seeking declaratory judgment.

Section 11.13 Expenses; Indemnity.

(a) Borrower shall pay or, if Borrower fails to pay, reimburse Lender upon receipt of notice from Lender, for all reasonable costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Lender in connection with (i) Borrower's ongoing performance of and compliance with Borrower's agreements and covenants contained in the Loan Documents on its part to be performed or complied with after the Closing Date, including, without limitation, confirming compliance with environmental and insurance requirements; (ii) Lender's ongoing performance of and compliance with all agreements and covenants contained in the Loan Documents on its part to be performed or complied with after the Closing Date; (iii) the negotiation, preparation, execution, delivery and administration of any consents, amendments, waivers or other modifications to the Loan Documents and any other documents or matters requested by Borrower or any Guarantor; (iv) the filing and recording fees and expenses, title insurance and reasonable fees and expenses of counsel for providing to Lender all required legal opinions, and other similar expenses incurred, in creating and perfecting the Liens in favor of Lender pursuant to the Loan Documents; (v) enforcing or preserving any rights, in response to third party claims or the prosecuting or defending of any action or proceeding or other litigation, in each case against, under or affecting Borrower, the Loan Documents, the Property or any other security given for the Loan; (vi) enforcing any Obligations of or collecting any payments due from Borrower or any Guarantor under the Loan Documents or with respect to the Property or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or of any Bankruptcy Action; (vii) protecting Lender's interest in the Property or any other security given for the Loan and (viii) any assignment of or franchisor/manager consent or approval relating to any comfort letter/tri-party agreement/non-disturbance agreement/assignment of franchise agreement and subordination of franchise fees or similar agreement in connection with an assignment, pledge, participation or transfer of the Loan; provided, however, that Borrower shall not be liable for the payment of any such costs and expenses to the extent the same arise by reason of the gross negligence, illegal acts, fraud or willful misconduct of Lender, as determined by a final non-appealable judgment of a court of competent jurisdiction. Any costs due and payable to Lender may be paid, at Lender's election in its sole discretion, from any amounts in the Cash Management Account.

(b) Borrower shall indemnify, defend and hold harmless the Lender Indemnified Parties from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for any Lender Indemnified Party in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Lender Indemnified Party shall be designated a party thereto), that may be imposed on, incurred by, or asserted against any Lender Indemnified Party in any manner relating to or arising out of (i) any default or breach by

Borrower of its Obligations under, or any material misrepresentation by Borrower contained in, the Loan Documents; (ii) the use or intended use of the proceeds of the Loan; (iii) any materials or information provided by or on behalf of Borrower, or contained in any documentation approved by Borrower; (iv) ownership of the Mortgage, the Property or any interest therein, or receipt of any Rents; (v) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (vi) any use, nonuse or condition in, on or about the Property or on adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (vii) performance of any labor or services or the furnishing of any materials or other property in respect of the Property; (viii) any failure of the Property to comply with any Legal Requirement; (ix) any claim by brokers, finders or similar persons claiming to be entitled to a commission in connection with any Lease or other transaction involving the Property or any part thereof, or any liability asserted against such Lender Indemnified Party with respect thereto; and (x) the claims of any lessee of any portion of the Property or any Person acting through or under any lessee or otherwise arising under or as a consequence of any Lease (collectively, the "**Indemnified Liabilities**"); provided, however, that Borrower shall not have any obligation to the Lender Indemnified Parties hereunder to the extent that such Indemnified Liabilities arise from the gross negligence, illegal acts, fraud or willful misconduct of the Lender Indemnified Parties, or which arise after the date Lender acquired title to the Property whether by foreclosure, exercise of power of sale, acceptance in deed in lieu of foreclosure or otherwise, as determined by a final non-appealable judgment of a court of competent jurisdiction. To the extent that the undertaking to indemnify, defend and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Borrower shall pay the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by the Lender Indemnified Parties. The provisions of Section 11.13(a) and this Section 11.13(b) shall survive any payment or prepayment of the Loan and any foreclosure or satisfaction of the Mortgage.

(c) Borrower hereby agrees to pay for or, if Borrower's fails to pay, to reimburse Lender for, any fees imposed, and costs and expenses incurred, by any Rating Agency in connection with any consent, approval, waiver or confirmation obtained from such Rating Agency pursuant to the terms and conditions of the Loan Documents, and Lender shall be entitled to require payment of such fees, costs and expenses as a condition precedent to obtaining any such consent, approval, waiver or confirmation.

Section 11.14 Schedules Incorporated. The Schedules and Exhibits annexed hereto are hereby incorporated herein as a part of this Agreement with the same effect as if set forth in the body hereof.

Section 11.15 Offsets, Counterclaims and Defenses. Any assignee of Lender's interest in and to the Loan Documents shall take the same free and clear of all offsets, counterclaims and defenses which are unrelated to such documents which Borrower may otherwise have against any assignor of such documents, and no such unrelated counterclaim or defense shall be interposed or asserted by Borrower in any action or proceeding brought by any such assignee upon such documents and any such right to interpose or assert any such unrelated offset,

counterclaim or defense in any such action or proceeding is hereby expressly waived by Borrower.

Section 11.16 No Joint Venture or Partnership; No Third Party Beneficiaries.

(a) Borrower and Lender intend that the relationships created under the Loan Documents be solely that of borrower and lender. Nothing herein or therein is intended to create a joint venture, partnership, tenancy-in-common, or joint tenancy relationship between Borrower and Lender nor to grant Lender any interest in the Property other than that of mortgagee, beneficiary or lender.

(b) The Loan Documents are solely for the benefit of Lender and nothing contained in the Loan Documents shall be deemed to confer upon anyone other than Lender any right to insist upon or to enforce the performance or observance of any of the Obligations contained herein or therein. All conditions to the obligations of Lender to make the Loan (and disburse Reserve Funds) hereunder are imposed solely and exclusively for the benefit of Lender and no other Person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that Lender will refuse to make the Loan (or make any disbursement of Reserve Funds) in the absence of strict compliance with any or all thereof and no other Person shall under any circumstances be deemed to be a beneficiary of such conditions, any or all of which may be freely waived in whole or in part by Lender if, in Lender's sole discretion, Lender deems it advisable or desirable to do so.

Section 11.17 Intentionally Omitted.

Section 11.18 Waiver of Marshalling of Assets. To the fullest extent permitted by law, Borrower, for itself and its successors and assigns, waives all rights to a marshalling of the assets of Borrower, Borrower's members or partners, as applicable, and others with interests in Borrower, and of the Property, and shall not assert any right under any laws pertaining to the marshalling of assets, the sale in inverse order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of Lender under the Loan Documents to a sale of the Property for the collection of the Obligations without any prior or different resort for collection or of the right of Lender to the payment of the Obligations out of the net proceeds of the Property in preference to every other claimant whatsoever.

Section 11.19 Waiver of Offsets/Defenses/Counterclaims. Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by Lender or its agents or otherwise to offset any obligations to make the payments required by the Loan Documents. No failure by Lender to perform any of its obligations hereunder shall be a valid defense to, or result in any offset against, any payments which Borrower is obligated to make under any of the Loan Documents.

Section 11.20 Conflict; Construction of Documents; Reliance. In the event of any conflict between the provisions of this Agreement and any of the other Loan Documents, the provisions of this Agreement shall control. The parties hereto acknowledge that they were

represented by competent counsel in connection with the negotiation, drafting and execution of the Loan Documents and that such Loan Documents shall not be subject to the principle of construing their meaning against the party which drafted same. Borrower acknowledges that, with respect to the Loan, Borrower shall rely solely on its own judgment and advisors in entering into the Loan without relying in any manner on any statements, representations or recommendations of Lender or any parent, subsidiary or Affiliate of Lender. Lender shall not be subject to any limitation whatsoever in the exercise of any rights or remedies available to it under any of the Loan Documents or any other agreements or instruments which govern the Loan by virtue of the ownership by it or any parent, subsidiary or Affiliate of Lender of any equity interest any of them may acquire in Borrower, and Borrower hereby irrevocably waives the right to raise any defense or take any action on the basis of the foregoing with respect to Lender's exercise of any such rights or remedies. Borrower acknowledges that Lender engages in the business of real estate financings and other real estate transactions and investments which may be viewed as adverse to or competitive with the business of Borrower or its Affiliates.

Section 11.21 Brokers and Financial Advisors.

(a) Borrower hereby represents that, except SRF Ventures (“Broker”), it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the transactions contemplated by this Agreement. Borrower will pay Broker a commission pursuant to a separate agreement. Borrower shall indemnify, defend and hold Lender harmless from and against any and all claims, liabilities, costs and expenses of any kind (including Lender's attorneys' fees and expenses) in any way relating to or arising from a claim by any Person (including Broker) that such Person acted on behalf of Borrower or Lender in connection with the transactions contemplated herein. The provisions of this Section 11.21 shall survive the expiration and termination of this Agreement and the payment of the Obligations. For the avoidance of doubt, the indemnity set forth in this Section 11.21 shall inure to the benefit of each Lender that has held an interest in the Loan at any time during the Term, including the initial named Lender hereunder.

(b) Lender may pay additional compensation, fees, commissions or other payments to Broker relating to the origination, sale and/or securitization of the Loan, in addition to any other compensation, fees, commissions or other payments which may be paid by Borrower or any other party directly to Broker. Borrower hereby acknowledges and agrees that (i) the payment of any such compensation, fees, commissions or other payments are in addition to any other compensation, fees, commissions or other payments which may be paid by Borrower or any other party directly to Broker, (ii) the payment of any such compensation, fees, commissions or other payments may create a potential conflict of interest for Broker in its relationship with Borrower, and Lender is not responsible for any recommendation, services or advice given to Borrower by Broker, and (iii) no fiduciary or other special relationship exists or will exist between Borrower and Lender other than as lender and borrower. Borrower (A) acknowledges that (1) such compensation, fees, commissions or other payments may include a direct, one-time payment of an origination or similar fee, certain payments based on volume and/or size of referrals, profit-sharing payments and/or an ongoing financial interest in the Loan (including by acting as sub-servicer for the Loan) and (2) Borrower has had an

opportunity to discuss the specifics of any compensation, fees, commissions or other payments with Broker to the extent Borrower deemed necessary and Borrower has independently determined to proceed with the Loan and (B) consents to any such arrangement and the payment by Lender to Broker of any such compensation, fees, commissions or other payments.

Section 11.22 Exculpatation. Subject to the qualifications below, Lender shall not enforce the liability and obligation of Borrower to perform and observe the Obligations contained in the Note, this Agreement, the Mortgage or the other Loan Documents by any action or proceeding wherein a money judgment shall be sought against Borrower, except that Lender may bring a foreclosure action, an action for specific performance or any other appropriate action or proceeding to enable Lender to enforce and realize upon its interest under the Note, this Agreement, the Mortgage and the other Loan Documents, or in the Property, the Gross Revenue, or any other collateral given to Lender pursuant to the Loan Documents; provided, however, that, except as specifically provided herein, any judgment in any such action or proceeding shall be enforceable against Borrower only to the extent of Borrower's interest in the Property, in the Gross Revenue and in any other collateral given to Lender, and Lender, by accepting the Note, this Agreement, the Mortgage and the other Loan Documents, shall not sue for, seek or demand any deficiency judgment against Borrower in any such action or proceeding under or by reason of or under or in connection with the Note, this Agreement, the Mortgage or the other Loan Documents. The provisions of this Section 11.22 shall not, however, (a) constitute a waiver, release or impairment of any obligation evidenced or secured by any of the Loan Documents; (b) impair the right of Lender to name Borrower as a party defendant in any action or suit for foreclosure and sale under the Mortgage; (c) affect the validity or enforceability of any of the Loan Documents or any guaranty made in connection with the Loan or any of the rights and remedies of Lender thereunder; (d) impair the right of Lender to obtain the appointment of a receiver; (e) impair the enforcement of the Assignment of Leases; (f) constitute a prohibition against Lender to seek a deficiency judgment against Borrower in order to fully realize the security granted by the Mortgage or to commence any other appropriate action or proceeding in order for Lender to exercise its remedies against the Property; or (g) constitute a waiver of the right of Lender to enforce the liability and obligation of Borrower, by money judgment or otherwise, to the extent of any loss, damage, cost, expense, liability, claim or other obligation incurred by Lender (including reasonable attorneys' fees and costs incurred) arising out of or in connection with the following:

(i) the breach of any representation, warranty, covenant or indemnification provision in the Environmental Indemnity, the Mortgage or any other Loan Document concerning environmental laws, hazardous substances and asbestos and any indemnification of Lender with respect thereto in any such document;

(ii) material physical waste or, after the occurrence and during the continuance of an Event of Default, the removal or disposal of any portion of the Property by Borrower or any agent, Affiliate or employee of Borrower, acting at the direction of or with the knowledge of Borrower;

(iii) the misapplication, misappropriation or conversion by Borrower in contravention of the Loan Documents of (A) any Insurance Proceeds paid by reason of any loss, damage or destruction to the Property, (B) any Awards or other amounts received in connection with the Condemnation of all or a portion of the Property, or (C) any Gross Revenue (including security deposits, advance deposits or any other deposits);

(iv) any security deposits, advance deposits or any other deposits collected with respect to the Property which are not delivered to Lender upon a foreclosure of the Property or deed in lieu thereof, except to the extent any such deposits were applied in accordance with the terms and provisions of the applicable Leases prior to the occurrence of the Event of Default that gave rise to such foreclosure or deed in lieu thereof;

(v) subject to Borrower's right to contest as provided in Section 3.6 of the Mortgage and Sections 4.1.2 and 4.1.3 hereof, as applicable, the failure to pay charges for labor or materials or other charges that can create Liens on any portion of the Property to the extent that cash flow from the operations of any portion of the Property is sufficient to pay such amounts in accordance with this Agreement or to the extent such Liens are not bonded over or discharged in accordance with the Loan Documents (except to the extent that at the time the related work was contracted for Borrower knew, or should have known, that there was insufficient funds to pay for such work or such work was contracted for in contravention of the Loan Documents);

(vi) the failure, to the extent Gross Revenue is available, to, (A) pay Taxes or (B) obtain and maintain the fully paid for Policies in accordance with Section 5.1 hereof, provided that Borrower shall not be liable to the extent funds to pay for Taxes or Insurance Premiums, as applicable, are available in the Tax Account or the Insurance Account, as applicable, and Lender failed to pay the same;

(vii) the failure by Borrower or any Guarantor to cooperate with Lender's execution of a Secondary Market Transaction pursuant to the terms and provisions of Section 9.1 hereof or to comply with the terms of Section 9.3 hereof;

(viii) the failure by Borrower to satisfy in full its indemnification obligations pursuant to and in accordance with the terms and provisions of Section 9.2 hereof;

(ix) the commission of a criminal act by Borrower, any Guarantor or any of their respective agents acting at the direction of Borrower and/or any Guarantor;

(x) intentionally omitted;

(xi) failure of the Road Work to be completed in accordance with the Road Work Letter, it being agreed that if the Town undertakes the same and releases Seller, Borrower and the Property from any obligation to perform, or fund or guaranty the performance of, the road work contemplated in the Road Work Letter (as the same is

reasonably demonstrated to Lender), this clause (xi) shall be void and of no further force and effect. It is acknowledged and agreed that in all events, Borrower shall have no liability under this clause (xi) upon the release of Borrower, Seller and the Property from the obligation to perform, or fund or guaranty the performance of, the road work contemplated in the Road Work Letter as evidenced by the delivery to Lender of the recordation of the termination of the Declaration;

(xii) intentionally omitted;

(xiii) in connection with the Loan or the Property (including without limitation, any Lease), Borrower, any Guarantor, any Affiliate of Borrower or any Guarantor or any of their respective agents or representatives acting at the direction of Borrower and/or any Guarantor, engages in any action constituting fraud, wilful or material misrepresentation, gross negligence or wilful misconduct;

(xiv) Borrower fails to comply with any representation, warranty or covenant set forth in Section 3.1.24 or 4.1.15 or Schedule III attached hereto; or

(xv) Any Person comprising Borrower, any Guarantor or any Affiliate of any of the foregoing who is not an officer, director or representative of the foregoing and who does not have Control of any of the foregoing, in connection with any enforcement action or exercise or assertion of any right or remedy by or on behalf of Lender under or in connection with the Note, the Mortgage, the Guaranty or any other Loan Document, seeks a defense, judicial intervention or injunctive or other equitable relief of any kind or asserts in a pleading filed in connection with a judicial proceeding any defense against Lender or any right in connection with any security for the Loan, which is frivolous, brought in bad faith, without merit (in the case of a defense) or unwarranted (in the case of a request for judicial intervention or injunctive or other equitable relief).

Notwithstanding anything to the contrary in this Agreement or any of the other Loan Documents, (A) Lender shall not be deemed to have waived any right which Lender may have under Section 506(a), 506(b), 1111(b) or any other provisions of the Bankruptcy Code to file a claim for the full amount of the Obligations or to require that all collateral shall continue to secure all of the Obligations owing to Lender in accordance with the Loan Documents and (B) the Obligations shall be fully recourse to Borrower in the event that any of the following occur:

(1) Intentionally omitted;

(2) Intentionally omitted;

(3) Borrower fails to comply with any representation, warranty or covenant set forth in Sections 3.1.24 or 4.1.15 or Schedule III attached hereto (other than any representation, warranty or covenant concerning or relating to the subject matter of subsections (f), (j) and/or (s) of Schedule III attached hereto), and (A) a court of competent jurisdiction orders a substantive consolidation of Borrower based, in whole or in part, on such

failure or (B) the Property or any portion thereof or interest therein becomes and asset in a bankruptcy or insolvency proceeding as a result of (in whole or in part) or due to (in whole or in part) such failure;

(4) Borrower fails to obtain Lender's prior written consent to any Indebtedness or to the entry into by Borrower of any voluntary Lien encumbering the Property or any portion thereof or interest therein, except to the extent expressly permitted by the Loan Documents;

(5) Borrower fails to obtain Lender's prior written consent to any Transfer (including, without limitation, any change in Control), except to the extent expressly permitted by the Loan Documents;

(6) Borrower files a voluntary petition under the Bankruptcy Code or any other federal, state, local or foreign bankruptcy or insolvency law;

(7) an Affiliate, officer, director or representative which Controls, directly or indirectly, Borrower files, or joins in the filing of, an involuntary petition against Borrower under the Bankruptcy Code or any other federal, state, local or foreign bankruptcy or insolvency law, solicits or causes to be solicited petitioning creditors for any involuntary petition against Borrower from any Person or colludes with or otherwise assists such Person;

(8) Borrower files an answer consenting to, or otherwise acquiescing in, or joining in, any involuntary petition filed against it, by any other Person under the Bankruptcy Code or any other federal, state, local or foreign bankruptcy or insolvency law, solicits or causes to be solicited petitioning creditors for any involuntary petition against Borrower from any Person or colludes with or otherwise assists such Person;

(9) any Affiliate, officer, director or representative which Controls Borrower consents to, or acquiesces in, or joins in, an application for the appointment of a custodian, receiver (unless at Lender's request), trustee or examiner for Borrower or any portion of the Property;

(10) Borrower makes an assignment for the benefit of creditors, or admits, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due;

(11) Borrower, any Guarantor (or any officer, director or representative which Controls Borrower or any Guarantor), or any Affiliate of any of the foregoing, in connection with any enforcement action or exercise or assertion of any right or remedy by or on behalf of Lender under or in connection with the Note, the Mortgage, the Guaranty or any other Loan Document, seeks a defense, judicial intervention or injunctive or other equitable relief of any kind or asserts in a pleading filed in connection with a judicial proceeding any defense against Lender or any right in connection with any security for the Loan,

which is frivolous, brought in bad faith, without merit (in the case of a defense) or unwarranted (in the case of a request for judicial intervention or injunctive or other equitable relief); or

(12) if, without Lender's prior written consent (as provided in Section 7.2.2 of this Agreement), the Franchise Agreement is surrendered, terminated, canceled, materially modified, renewed, extended or otherwise allowed to expire by Borrower or Affiliate of Borrower (other than, in the case of a renewal or extension, a renewal or extension provided for in the Franchise Agreement); provided, however, in the case of an expiration, the Obligations shall not be fully recourse to Borrower if, contemporaneously with such expiration, Borrower enters into a Replacement Franchise Agreement with a Qualified Franchisor in accordance with the applicable terms and conditions of this Agreement; provided, further, however, in the case of a surrender, modification, termination or cancellation by Franchisor (other than any such termination, surrender, modification or cancellation (i) (A) by an Affiliate Franchisor or (B) that Borrower, any Guarantor, any Affiliate of Borrower or any Guarantor or any of their respective authorized agents or authorized representatives has consented to, solicited, requested or otherwise colluded with Franchisor with respect to or (ii) due to the extent Gross Revenue is available and the same is not applied by Borrower as required pursuant to the Franchise Agreement), the Obligations shall not be fully recourse to Borrower if Borrower enters into a Replacement Franchise Agreement with a Qualified Franchisor in accordance with the applicable terms and conditions of this Agreement within sixty (60) days after such termination or cancellation, provided that Borrower shall nonetheless be liable to Lender to the extent of any loss, damage, cost, expense, liability, claim or other obligation incurred by Lender (including attorneys' fees and costs reasonably incurred) arising out of or in connection with such termination or cancellation during such sixty (60) day period.

Section 11.23 Prior Agreements. The Loan Documents contain the entire agreement of the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written, including the Term Sheet, are superseded by the terms of the Loan Documents.

Section 11.24 Servicer.

(a) At the option of Lender, the Loan may be serviced by a master servicer, primary servicer, special servicer and/or trustee (any such master servicer, primary servicer, special servicer and trustee, together with its agents, designees or nominees, collectively, "**Servicer**") selected by Lender and Lender may delegate all or any portion of its responsibilities under the Loan Documents to the Servicer pursuant to a pooling and servicing agreement, servicing agreement, special servicing agreement and/or other agreement providing for the servicing of one or more mortgage loans (collectively, the "**Servicing Agreement**") between Lender and Servicer. Borrower shall pay (i) any customary fees and expenses of Servicer (including, without limitation, attorneys' fees and disbursements) in connection with any release of the Property or a portion thereof, any prepayment, defeasance, transfer, assumption, amendment or modification of the Loan, any documents or other matters requested by Borrower or any Guarantor, any special servicing or workout of the Loan or enforcement of the Loan Documents, including, without limitation, any advances made by Servicer and interest

on such advances, any liquidation fees in connection with the exercise of any or all remedies permitted under this Agreement and (ii) the costs of all property inspections and/or appraisals of the Property (or any updates to any existing inspection or appraisal) that a Servicer may be required to obtain (other than the cost of regular annual inspections required to be borne by Servicer under the Servicing Agreement); provided, however, that Borrower shall not be responsible for payment of any fees or expenses required to be borne by, and not reimbursable to, Servicer. Without limiting the generality of the foregoing, Servicer shall be entitled to reimbursement of costs and expenses as and to the same extent (but without duplication) as Lender is entitled thereto pursuant to the terms of the Loan Documents.

(b) Upon notice thereof from Lender, Servicer shall have the right to exercise all rights of Lender and enforce all obligations of Borrower and Guarantor under the Loan Documents.

(c) Provided Borrower shall have received notice from Lender of Servicer's address, Borrower shall deliver, and cause to be delivered, to Servicer duplicate originals of all notices and other documents and instruments which Borrower and/or Guarantor deliver to Lender pursuant to the Loan Documents. No delivery of any such notices or other documents shall be of any force or effect unless delivered to Lender and Servicer as provided in this Section 11.24(c).

Section 11.25 Joint and Several Liability. If more than one Person has executed any of the Loan Documents as "Borrower," the representations, covenants, warranties and obligations of all such Persons under such Loan Documents shall be joint and several.

Section 11.26 Creation of Security Interest. Notwithstanding any other provision set forth in the Loan Documents, Lender may at any time create a security interest in all or any portion of its rights under any of the Loan Documents (including, without limitation, payments owing to it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System or to secure a borrowing by Lender or its Affiliates from any Person that purchases or funds financial assets.

Section 11.27 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

Section 11.28 Set-Off. In addition to any rights and remedies of Lender provided by this Agreement and by law, Lender shall have the right, without prior notice to Borrower, any such notice being expressly waived by Borrower to the extent permitted by Legal Requirements, upon any amount becoming due and payable by Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in accordance with Legal Requirements, in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by Lender or any Affiliate thereof to or for the credit or the account of Borrower. Lender agrees promptly to notify Borrower after any such set-off and application made by

Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

Section 11.29 Certain Additional Rights of Lender (VCOC). Notwithstanding anything to the contrary contained in the Loan Documents, Lender shall have:

- (a) the right to routinely consult with and advise Borrower's management regarding the significant business activities and business and financial developments of Borrower, including, but not limited to, with respect to (i) annual operating and capital budgets, (ii) insurance, (iii) material leases and lease forms, (iv) property management and leasing agents and amendments, modifications or termination of any agreements with such agents, and (v) changes in business; provided, however, that such consultations shall not include discussions of environmental compliance programs or disposal of hazardous substances. Consultation meetings should occur on a regular basis (no less frequently than quarterly) with Lender having the right to call special meetings at any reasonable times upon reasonable notice;
- (b) the right, in accordance with the terms of this Agreement, to examine the books and records of Borrower at any reasonable times upon reasonable notice;
- (c) the right, in accordance with the terms of this Agreement, including, without limitation, Section 4.1.7 hereof, to receive monthly, quarterly and year-end financial reports, including balance sheets, statements of income, shareholder's equity and cash flow, a management report and schedules of outstanding indebtedness; and
- (d) the right, without restricting any other rights of Lender under this Agreement (including any similar right), to approve any acquisition by Borrower of any other significant property (other than personal property required for the day to day operation of the Property) and to restrict any financing and/or Indebtedness with respect thereto.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be duly executed by their duly authorized representatives, all as of the day and year first above written.

LENDER:

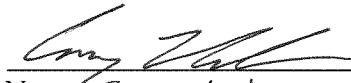
LADDER CAPITAL FINANCE LLC, a
Delaware limited liability company

By: 
Name: David Traitel
Title: Managing Director

BORROWER:

WARAMAUG HAUPPAUGE LLC, a
Delaware limited liability company

By: Waramaug LS Hotels VIII, LLC, a
Delaware limited liability company, its
managing member

By: 
Name: *Craig Nussbaum*
Title: *Authorized Signatory*

SCHEDULE I

DEFINITIONS

“Account” shall mean an Eligible Account at the Cash Management Bank controlled by Lender.

“Act” shall have the meaning set forth in clause (y)(ii) of Schedule III attached hereto.

“Adjusted Operating Expenses” shall mean, as of any date of determination by Lender, the greater of (i) actual Operating Expenses incurred during the preceding twelve (12) month period and (ii) the Operating Expenses provided for in the then-effective Approved Annual Budget for the twelve (12) month period to which such Approved Annual Budget relates, in each case using the greater of (i) assumed management fees and asset management fees, collectively, of three percent (3.0%) of Gross Revenue (provided, however, any additional fee in excess of three percent (3.0%) may be paid to Managers only after the payment of Debt Service, Operating Expenses, Reserve Funds and all other amounts due under the Loan Documents and no such additional fee shall be paid during a Cash Management Trigger Event Period or during the continuation of an Event of Default) and (ii) actual management fees incurred or to be incurred, as applicable; provided, however, in the event that the Annual Budget has not been approved by Lender under Section 4.1.7(e) for the applicable period in which such date of determination occurs and/or Borrower has failed to timely deliver the financial statements required pursuant to this Agreement, Lender shall determine the amount of Adjusted Operating Expenses in its sole and absolute discretion; provided, however, such Operating Expenses shall be adjusted to reflect actual increases in Taxes, Other Charges, Insurance Premiums and utility charges, and all other expenses shall be adjusted by the CPI; provided, further, however, in the event that Borrower has failed to timely deliver the financial statements required pursuant to this Agreement, Lender shall determine the amount of Adjusted Operating Expenses in its reasonable discretion.

“Affiliate” shall mean, as to any Person, any other Person that (i) owns directly or indirectly twenty percent (20%) or more of all equity interests in such Person, (ii) is in Control of, is Controlled by or is under common ownership or Control with such Person, (iii) is a director or executive officer of such Person or of an Affiliate of such Person, and/or (iv) is the spouse, issue or parent of such Person.

“Affiliated Franchisor” shall mean any Franchisor that is an Affiliate of Borrower or any Guarantor.

“Affiliated Manager” shall mean any Manager that is an Affiliate of Borrower or any Guarantor.

“Agreement” shall have the meaning set forth in the introductory paragraph hereto.

“ALTA” shall mean American Land Title Association, or any successor thereto.

“Alteration Threshold” shall mean three percent (3%) of the Original Principal Balance.

“Annual Budget” shall mean the operating and capital budget for the Property setting forth, on a month-by-month basis, in reasonable detail, each line item of Borrower’s good faith estimate of anticipated Gross Revenue, Operating Expenses for the applicable Fiscal Year.

“Antenna Leases” shall mean, individually and/or collectively, as the context may require, (i) that certain Rooftop Lease with Option, dated on or about June 28, 2002 by and between Hauppauge Hotels, LLC, predecessor in interest to Borrower, as landlord, and Omnipoint Facilities Network 2, LLC, as tenant, (ii) that certain Lease Agreement dated October 26, 2001, by and between BRE NE Hospitality Property Owner LLC, predecessor in interest to Borrower, as landlord, and New Cingular Wireless PCS, LLC, dba AT&T Wireless, as tenant, (iii) that certain Communications Site Lease Agreement, dated March 20, 2002 by and between Hauppauge Hotels, LLC, predecessor in interest to Borrower, as landlord, and Nextel of New York, Inc., dba Nextel Communications, as tenant, (iv) that certain Site Agreement, dated January 9, 2004 by and between Hauppauge Hotels, LLC, predecessor in interest to Borrower, as landlord, and Sprint Spectrum L.P. dba Spring PCS, (v) that certain Building and Rooftop Lease Agreement, dated December 13, 2001 by and between Hauppauge Hotels, LLC, predecessor in interest to Borrower, as landlord, and New York SMSA Limited Partnership dba Verizon Wireless, as tenant and (vi) that certain Communications Site Lease Agreement dated May 29, 2008, by and between HHLP Hauppauge Associates, LLC, predecessor in interest to Borrower as landlord, and MetroPCS New York LLC, as tenant, each as amended and as each may be further amended, restated, extended or otherwise modified from time to time.

“Appraisal” shall mean an appraisal of the Property prepared not more than ninety (90) days prior to the relevant date with respect to which an appraisal shall be required hereunder by a member of the American Institute of Real Estate Appraisers selected by Lender, which appraisal shall (i) meet the minimum appraisal standards for national banks promulgated by the Comptroller of the Currency pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (FIRREA), (ii) be prepared on as “as is” basis, and (iii) otherwise be in form and substance satisfactory to Lender.

“Approved Annual Budget” shall have the meaning set forth in Section 4.1.7(e).

“Approved FF&E Expenses” shall mean (i) other than during a Cash Management Trigger Event Period, amounts expended by Borrower for FF&E and (ii) during a Cash Management Trigger Event Period, amounts expended by Borrower for FF&E and either (A) included in the Approved Annual Budget, (B) in the event of an emergency, not included in the Approved Annual Budget, not in excess of \$50,000.00 annually or (C) approved by Lender, which approval shall not be unreasonably withheld or delayed.

“Approved Franchisor” shall mean any “Upper Midscale” hotel brand (as defined by the 2016 STR Global Chain Scales) controlled by Hilton Hotels, Marriott Hotels or Intercontinental Hotels.

“Approved Operating Expenses” shall mean Operating Expenses incurred by Borrower which (i) are included in the Approved Annual Budget for the current calendar month, (ii) are for real estate taxes, insurance premiums, electric, gas, oil, water, sewer or other utility service to the

Property or for employee costs and benefits, (iii) are for property management fees payable to Property Manager under the Property Management Agreement and for asset management fees payable to Asset Manager under the Asset Management Agreement, such amounts, collectively, not to exceed three percent (3%) of the monthly Gross Revenue (provided, however, any additional fee in excess of three percent (3%) may be paid to Managers only after the payment of Debt Service, Operating Expenses, Reserve Funds and all other amounts due under the Loan Documents and no such additional fee shall be paid during a Cash Management Trigger Event Period or during the continuation of an Event of Default) (iv) are for franchise fees payable to Franchisor under the Franchise Agreement, or (v) have otherwise been approved by Lender, such approval not to be unreasonably withheld, conditioned or delayed.

“Asset Management Agreement” shall mean the asset management agreement entered into by and between Borrower and Asset Manager pursuant to which Asset Manager is to provide asset management services with respect to the Property as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time in accordance with the terms and provisions of this Agreement, or, if the context requires, the Replacement Management Agreement executed in accordance with the terms and provisions of this Agreement.

“Asset Manager” shall mean Waramaug Ventures LLC, a Delaware limited liability company, or any other asset manager approved by Lender and the Rating Agencies in accordance with the terms and conditions of the Loan Documents, including, without limitation, Article 7 of this Agreement.

“Assignment of Franchise Agreement” shall mean that certain Comfort Letter, dated as of the date hereof, among Lender, Borrower and Franchisor, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Assignment of Leases” shall mean that certain first priority Assignment of Leases and Rents, dated as of the date hereof, from Borrower, as assignor, to Lender, as assignee, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Assignment of Management Agreement” shall mean, individually and/or collectively, as the context may require (i) that certain Assignment of Management Agreement and Subordination of Management Fees, dated as of the date hereof, among Borrower, Property Manager and Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time and (ii) that certain Assignment of Asset Management Agreement and Subordination of Asset Management Fees, dated as of the date hereof, among Borrower, Asset Manager and Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Available Cash Flow” shall mean, with respect to any Monthly Payment Date, the difference between (x) Gross Revenue from the Property received by Borrower during the immediately preceding calendar month less (y) the sum of (i) the Monthly Debt Service Payment, all required deposits to the Reserve Funds (and, without duplication, all other amounts

due under the Loan Documents) paid on the immediately preceding Monthly Payments Date plus (ii) Approved Operating Expenses paid during the immediately preceding calendar month.

“Award” shall mean any compensation paid by any Governmental Authority in connection with a Condemnation in respect of all or any part of the Property.

“Bankruptcy Action” shall mean with respect to any Person (i) such Person filing a voluntary petition under the Bankruptcy Code or any other federal, state, local or foreign bankruptcy or insolvency law; (ii) the filing of an involuntary petition against such Person under the Bankruptcy Code or any other federal, state, local or foreign bankruptcy or insolvency law, or soliciting or causing to be solicited petitioning creditors for any involuntary petition against such Person; (iii) such Person filing an answer consenting to or otherwise acquiescing in or joining in any involuntary petition filed against it, by any other Person under the Bankruptcy Code or any other federal, state, local or foreign bankruptcy or insolvency law, or soliciting or causing to be solicited petitioning creditors for any involuntary petition from any Person; (iv) such Person consenting to or acquiescing in or joining in an application for the appointment of a custodian, receiver, trustee, or examiner for such Person or any portion of the Property; or (v) such Person making an assignment for the benefit of creditors, or admitting, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due.

“Bankruptcy Code” shall mean Title 11 of the United States Code entitled “Bankruptcy”, as amended from time to time, and any successor statute or statutes and all rules and regulations from time to time promulgated thereunder, and any comparable foreign laws relating to bankruptcy, insolvency or creditors’ rights.

“Borrower” shall have the meaning set forth in the Recitals to this Agreement.

“Broker” shall have the meaning set forth in Section 11.21(a).

“Business Day” shall mean any day other than a Saturday, a Sunday or a legal holiday on which national banks are not open for general business in (i) the State of New York, (ii) the state where the corporate trust office of the Trustee is located, or (iii) the state where the servicing offices of Servicer are located.

Capital Expenditures” shall mean, for any period, the amounts expended for items required to be capitalized under the Uniform System of Accounts and reconciled in accordance with GAAP (including expenditures for replacements, building improvements, major repairs, alterations, tenant improvements and leasing commissions).

“Cash Management Account” shall have the meaning set forth in Section 6.1.

“Cash Management Activation Notice” shall mean a written notice from Lender or Servicer to the Clearing Bank stating that a Cash Management Trigger Event Period has commenced and instructing the Clearing Bank to transfer all available funds in the Clearing Account to the Cash Management Account in accordance with the Clearing Account Agreement.

“Cash Management Agreement” shall mean that certain Cash Management Agreement, dated as of the date hereof, among Borrower, Lender and the Cash Management Bank, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Cash Management Bank” shall mean Wells Fargo Bank, N.A. and any successor Eligible Institution thereto under the Cash Management Agreement in effect from time to time.

“Cash Management Deactivation Notice” shall mean a written notice from Lender or Servicer to the Clearing Bank stating that a Cash Management Trigger Event Period no longer exists and instructing the Clearing Bank to transfer all available funds in the Clearing Account to an account designated by Borrower in accordance with the Clearing Account Agreement.

“Cash Management DSCR Trigger Event” shall mean that, as of any date of determination by Lender, the Debt Service Coverage Ratio is less than 1.20 to 1.00.

“Cash Management Trigger Event” shall mean the occurrence of:

- (i) an Event of Default;
- (ii) any event of default under a Management Agreement upon the expiration of all applicable notice and cure periods;
- (iii) a Cash Management DSCR Trigger Event; or
- (iv) the delivery of notice by Franchisor of any breach or default by Borrower under the Franchise Agreement that, with the passage of time and/or delivery of notice, permits Franchisor to terminate or cancel the Franchise Agreement.

“Cash Management Trigger Event Cure” shall mean:

- (i) if the Cash Management Trigger Event is caused solely by the occurrence of clause (i) in the definition of “Cash Management Trigger Event,” the date on which a cure of the Event of Default which gave rise to such Cash Management Trigger Event is accepted or waived in writing by Lender in its sole and absolute discretion; provided that Lender shall not have exercised any of its rights under Section 10.2 to accelerate the Loan, move to appoint a receiver or commence a foreclosure action;
- (ii) if the Cash Management Trigger Event is caused solely by the occurrence of clause (ii) in the definition of “Cash Management Trigger Event,” (a) the date on which the event of default by Borrower under the Management Agreement has been cured to Lender’s satisfaction, or (b) the date on which Borrower has entered into a Replacement Management Agreement with a Qualified Manager in accordance with the terms of this Agreement;
- (iii) if the Cash Management Trigger Event is caused solely by the occurrence of clause (iii) in the definition of “Cash Management Trigger Event,” the date on which the Debt Service Coverage Ratio is at least 1.30 to 1:00 for two (2) consecutive quarters;

(iv) if the Cash Management Trigger Event is caused solely by the occurrence of clause (iv) in the definition of "Cash Management Trigger Event," (a) the date on which Borrower has delivered evidence reasonably satisfactory to Lender, which may include a "good standing" or similar letter from Franchisor, indicating that the Franchise Agreement is in full force and effect with no continuing default thereunder, or (b) the date on which Borrower has entered into a Replacement Franchise Agreement in accordance with the terms of this Agreement.

provided that each Cash Management Trigger Event Cure set forth above shall be subject to the following conditions: (1) after giving effect to such Cash Management Trigger Event Cure, no Cash Management Trigger Event shall have occurred and remain outstanding, (2) Borrower shall have notified Lender in writing of its election to cure the applicable Cash Management Trigger Event, (3) a Cash Management Trigger Event Cure may occur no more than three (3) times during the Term, and (4) Borrower shall have paid all of Lender's reasonable costs and expenses incurred in connection with such Cash Management Trigger Event Cure (including reasonable attorneys' fees and expenses).

"Cash Management Trigger Event Period" shall mean any period commencing on the occurrence of a Cash Management Trigger Event and continuing until the earlier of (i) the Monthly Payment Date following the occurrence of the applicable Cash Management Trigger Event Cure or (ii) the payment in full of all principal and interest on the Loan and all other amounts payable under the Loan Documents in accordance with the terms and provisions of the Loan Documents.

"Casualty" shall mean the occurrence of any casualty, damage or injury, by fire or otherwise, to the Property or any part thereof.

"Casualty and Condemnation Account" shall have the meaning set forth in the Cash Management Agreement.

"Casualty Consultant" shall have the meaning set forth in Section 5.3.2(c).

"Casualty Retainage" shall have the meaning set forth in Section 5.3.2(d).

"Clearing Account" shall have the meaning set forth in Section 6.1.

"Clearing Account Agreement" shall mean that certain Deposit Account Control Agreement, dated as of the date hereof, by and among Borrower, Lender and the Clearing Bank, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time or, if the context requires, a replacement clearing account agreement executed in accordance with the terms and provisions of this Agreement.

"Clearing Bank" shall have the meaning set forth in Section 6.1.

"Closing Date" shall mean the date of the funding of the Loan.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and as it may be further amended from time to time, any successor statutes thereto, and applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form.

“Condemnation” shall mean a temporary or permanent taking by any Governmental Authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Property or any part thereof.

“Control” as to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or activities of such Person, whether through ownership of voting securities or other beneficial interests, by contract or otherwise, and the terms “controlled” or “controlling” shall have a correlative meaning.

“Controlling Person” as to any Person, shall mean any other Person that Controls such Person.

“CPI” shall mean the Consumer Price Index, as published by the United States Department of Labor, Bureau of Labor Statistics for the region in which the Property is located or any substitute index hereafter adopted by the United States Department of Labor.

“Credit Card Banks” shall have the meaning set forth in Section 6.1.

“Credit Card Bank Payment Direction Letter” shall have the meaning set forth in Section 6.1.

“Credit Card Companies” shall have the meaning set forth in Section 6.1.

“Credit Card Company Payment Direction Letter” shall have the meaning set forth in Section 6.1.

“Debt” shall mean the Outstanding Principal Balance together with all interest accrued and unpaid thereon and all other sums (including the Yield Maintenance Premium, if applicable) due to Lender in respect of the Loan under the Loan Documents.

“Debt Service” shall mean, with respect to any particular period of time, the aggregate amount of scheduled principal and interest payments due and payable under the Note and this Agreement.

“Debt Service Account” shall have the meaning set forth in Section 6.2.

“Debt Service Funds” shall have the meaning set forth in Section 6.2.

“Debt Service Coverage Ratio” shall mean for any period, a ratio, as determined by Lender, in which, as of any date of determination by Lender:

(i) the numerator is the Underwritten Net Cash Flow, and

(ii) the denominator is the Debt Service projected by Lender to be due and payable during the succeeding twelve (12) month period.

“Declaration” shall mean that certain Declaration of Covenants and Restrictions dated May 17, 2000 made by Hauppauge Hotels, LLC (predecessor in interest to Seller), as declarant, and recorded with the Clerk of Suffolk County, New York in Book 12045, page 263, as the same may be amended, restated, or otherwise modified from time to time.

“Default” shall mean the occurrence of any event hereunder or under any other Loan Document which, but for the giving of notice or passage of time, or both, would constitute an Event of Default.

“Default Rate” shall mean, with respect to the Loan, a rate per annum equal to the lesser of (i) the Maximum Legal Rate or (ii) five percent (5%) above the Interest Rate.

“Defeasance” shall have the meaning set forth in Section 2.6.1.

“Defeasance Collateral” shall have the meaning set forth in Section 2.6.1(c)(i).

“Defeasance Security Agreement” shall have the meaning set forth in Section 2.6.1(c)(ii).

“Disclosure Document” shall mean, collectively, any written materials used or provided to any prospective investors and/or NRSROs in connection with any public offering or private placement in connection with a Securitization, including, but not limited to, any preliminary or final offering circular, prospectus, prospectus supplement, free writing prospectus, private placement memorandum or other offering documents, marketing materials or information.

“Easements” shall have the meaning set forth in Section 3.1.12.

“Eligible Account” shall have the meaning set forth in the Cash Management Agreement.

“Eligible Institution” shall have the meaning set forth in the Cash Management Agreement.

“Embargoed Person” shall have the meaning set forth in Section 4.2.15.

“Environmental Indemnity” shall mean that certain Environmental Indemnity Agreement, dated as of the date hereof, executed by Borrower and Guarantor in connection with the Loan for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and the ruling issued thereunder.

“ERISA Affiliate” shall mean each person (as defined in Section 3(9) of ERISA) that together with Borrower would be deemed to be a “single employer” within the meaning of Section 414(b), (c), (m) or (o) of the Code.

“Event of Default” shall have the meaning set forth in Section 10.1.

“Excess Cash Flow” shall have the meaning set forth in Section 6.11.1.

“Excess Cash Flow Account” shall have the meaning set forth in Section 6.9.

“Excess Cash Flow Funds” shall have the meaning set forth in Section 6.9.

“Exchange Act” shall have the meaning set forth in Section 9.2(a).

“Exchange Act Filing” shall mean a filing pursuant to the Exchange Act in connection with or relating to a Securitization.

“Extraordinary Expense” shall have the meaning set forth in Section 4.1.7(e).

“FF&E” shall mean furniture, fixtures and equipment at or in or used in connection with the use, occupancy, operation and maintenance of all or any part of the hotel located on the Property and of the type customarily utilized in hotel properties such as the Property.

“FF&E Account” shall have the meaning set forth in Section 6.5.1.

“FF&E Funds” shall have the meaning set forth in Section 6.5.1.

“FF&E Work” shall mean the replacement of FF&E.

“Final Member” shall have the meaning set forth in clause (y)(iii) of Schedule III attached hereto.

“First Debt Service Payment” shall have the meaning set forth in Section 6.2.

“Fiscal Year” shall mean each twelve (12) month period commencing on January 1 and ending on December 31 during each year of the Term.

“Fitch” shall mean Fitch IBCA, Inc.

“Franchise Agreement” shall mean the franchise agreement between Borrower and Franchisor, pursuant to which Franchisor is to permit the use of its franchise and provide related franchise services with respect to the Property, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time in accordance with the terms and provisions of this Agreement, or, if the context requires, the Replacement Franchise Agreement executed in accordance with the terms and provisions of this Agreement.

“Franchisor” shall mean Holiday Hospitality Franchising, LLC, a Delaware limited liability company, or any other franchisor approved by Lender and the Rating Agencies in accordance with the terms and conditions of the Loan Documents, including, without limitation, Article 7 of this Agreement.

“Future PIP Work” shall mean the PIP Work required to be completed by May 3, 2021 pursuant to the Franchise Agreement as more particularly set forth on Schedule IX to be completed in accordance with Schedule IX and the timeframe required by the Franchisor.

“GAAP” shall mean generally accepted accounting principles 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 agencies with similar functions of comparable stature and authority within the accounting profession), or in such other statements by such entity as may be in general use by significant segments of the U.S. accounting profession.

“Government Lists” shall have the meaning set forth in Section 4.2.15(b).

“Governmental Authority” shall mean any court, board, agency, commission, office or authority of any nature whatsoever or any governmental unit (federal, state, commonwealth, county, district, municipal, city, foreign or otherwise) whether now or hereafter in existence.

“Gross Revenue” shall mean all revenue, including, without limitation, Rents, derived from the ownership and operation of the Property from whatever source.

“Guarantor” shall mean, individually and/or collectively as the context may require, Leslie Ng and Paul Nussbaum, each an individual.

“Guaranty” shall mean that certain Guaranty of Recourse Obligations, dated as of the date hereof, from Guarantor for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Hedge Losses” shall mean all actual losses incurred by Lender or its affiliates in connection with the hedge positions taken by Lender or its affiliates with respect to the Interest Rate. Borrower acknowledges that such hedging transactions may include the sale of U.S. Obligations or other securities and/or the execution of certain derivative transactions, which hedging transactions would have to be “unwound” if all or any portion of the Loan is paid down.

“Immediate Family Member” shall have the meaning set forth in Section 8.2(e).

“Immediate PIP Work” shall mean the PIP Work set forth on Schedule IX to be completed in accordance with Schedule IX and the timeframe required by the Franchisor.

“Improvements” shall have the meaning set forth in the granting clause of the Mortgage.

“Indebtedness” shall mean, for any Person, without duplication: (i) all indebtedness of such Person for borrowed money, for amounts drawn under a letter of credit, or for the deferred

purchase price of property for which such Person or its assets is liable, (ii) all unfunded amounts under a loan agreement, letter of credit, or other credit facility for which such Person would be liable if such amounts were advanced thereunder, (iii) all amounts required to be paid by such Person as a guaranteed payment to partners or a preferred or special dividend, including any mandatory redemption of shares or interests, (iv) all indebtedness guaranteed by such Person, directly or indirectly, (v) all obligations under leases that constitute capital leases for which such Person is liable, and (vi) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest hedge agreements, in each case whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss.

“Indemnified Liabilities” shall have the meaning set forth in Section 11.13(b).

“Indemnified Persons” shall have the meaning set forth in Section 9.2(b).

“Independent CPA” shall mean any firm of independent certified public accounts designated from time to time by Borrower.

“Insolvency Opinion” shall mean, as the context may require, any bankruptcy non-consolidation opinion letter delivered to Lender in connection with the Loan (if any), including any bankruptcy non-consolidation opinion letter delivered to Lender after the closing of the Loan pursuant to the terms and conditions of the Loan Documents, which post-closing opinion shall be from counsel, and in form and substance, in each case reasonably acceptable to Lender and acceptable to the Rating Agencies in their sole discretion.

“Insurance Account” shall have the meaning set forth in Section 6.4.1.

“Insurance Funds” shall have the meaning set forth in Section 6.4.1.

“Insurance Premiums” shall have the meaning set forth in Section 5.1.1(b).

“Insurance Proceeds” shall mean all payments from any insurance company payable as a result of the Policies required by Article 5 or any other insurance policy covering the Property and/or Borrower.

“Intercreditor Agreement” shall have the meaning set forth in Section 8.4(i).

“Interest Period” shall have the meaning set forth in Section 2.3.1.

“Interest Rate” shall mean a rate of five and thirty three hundredths percent (5.330%) per annum.

“Interim Disbursement Date” shall have the meaning set forth in Section 6.11.

“Key Principal” shall mean, individually and/or collectively as the context may require, Leslie Ng and Paul Nussbaum, each an individual.

“Lease” shall mean any lease, sublease or sub-sublease, letting, license, concession or other agreement (whether written or oral and whether now or hereafter in effect) to which Borrower is a party, pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of any space in the Property, and every modification, amendment or other agreement relating to such lease, sublease, sub-sublease, or other agreement entered into in connection with such lease, sublease, sub-sublease, or other agreement and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto. .

“Legal Requirements” shall mean all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees, demands and injunctions of Governmental Authorities affecting the Loan, any Secondary Market Transaction with respect to the Loan, Borrower, any Guarantor or the Property or any part thereof or the ownership, construction, alteration, use, management or operation of the Property or any part thereof, whether now or hereafter enacted and in force, including, without limitation, the Securities Act, the Exchange Act, Regulation AB, the Dodd-Frank Wall Street Reform and Consumer Protection Act, zoning and land use laws and the Americans with Disabilities Act of 1990, the rules and regulations promulgated pursuant to any of the foregoing, and all permits, licenses and authorizations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Borrower, at any time in force affecting Borrower, any Guarantor or the Property or any part thereof, including, without limitation, any which may (i) require repairs, modifications or alterations in or to the Property or any part thereof or (ii) in any way limit the use and enjoyment thereof.

“Lender” shall have the meaning set forth in the Recitals to this Agreement.

“Lender Indemnified Parties” “ shall mean Lender and any designee of Lender, any Affiliate of Lender that has filed any registration statement relating to a Securitization or has acted as the issuer, sponsor, depositor or seller in connection with such Securitization, any Affiliate of Lender that acts as an underwriter, placement agent or initial purchaser of Securities issued in a Securitization, any other co-underwriters, co-placement agents or co-initial purchasers of Securities issues in a Securitization, each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) any such Person, any Person who is, was or will have been involved in the origination of the Loan, any Person who is, was or will have been involved in the servicing of the Loan, any Person in whose name the Lien created by the Loan Documents are, were or will be recorded or filed, any Person who may hold or acquire, held or will have held a full or partial interest in the Loan (including, but not limited to, investors or prospective investors in the Securities, as well as custodians, trustees and other fiduciaries who hold or have held a full or partial interest in the Loan for the benefit of third parties), any Person who holds or acquires, held or will have held a participation or other full or partial interest in the Loan, whether during the Term or as a part of or following a foreclosure thereof, any successors by merger, consolidation or acquisition of all or a substantial portion of Lender’s assets and business, as well as the respective directors, officers, shareholders, partners, members, employees, agents, servants, representatives, contractors, subcontractors, Affiliates, participants, successors and assigns of any and all of the foregoing. For the avoidance of doubt,

and without limiting the generality of the foregoing, "Lender Indemnified Parties" shall include the initial named Lender hereunder and each Lender that has held an interest in the Loan at any time during the Term, including prior to the occurrence of the act or omission giving rise to the applicable Indemnified Liabilities.

"**Lender Transfer Requirements**" shall have the meaning set forth in Section 8.2(e).

"**Letter of Credit**" shall mean an irrevocable, unconditional, transferable (without the payment of a transfer fee), clean, evergreen (or not expiring until at least thirty (30) Business Days after the Stated Maturity Date) sight draft letter of credit acceptable to Lender and the Rating Agencies in favor of Lender and entitling Lender to draw thereon in New York, New York based solely on a statement purportedly executed by an officer of Lender stating that it has the right to draw thereon issued by a domestic Eligible Institution or the U.S. agency or branch of a foreign Eligible Institution and with respect to which Borrower has no reimbursement obligation. The evergreen clause of each Letter of Credit shall provide that the expiration date of such Letter of Credit shall automatically extend (i.e., without requiring a consent, approval, amendment or other modification) for additional periods from the current or each future expiration date unless the issuing bank provides Lender and Servicer with written notice that such Letter of Credit will not be renewed at least sixty (60) days, and not more than ninety (90) days, prior to the date on which the outstanding Letter of Credit is scheduled to expire. Lender shall have the right immediately to draw down any Letter of Credit in full and hold the proceeds of such draw in the same manner as funds deposited in the Reserve Funds (i) if at any time the bank issuing any such Letter of Credit shall cease to be an Eligible Institution, (ii) with respect to an evergreen Letter of Credit, if Lender has received a notice from the issuing bank that the Letter of Credit will not be renewed and a substitute Letter of Credit is not provided at least thirty (30) days prior to the date on which the outstanding Letter of Credit is scheduled to expire, (iii) with respect to any Letter of Credit with a stated expiration date, if Lender has not received a notice from the issuing bank that it has renewed the Letter of Credit at least thirty (30) days prior to the date on which such Letter of Credit is scheduled to expire and a substitute Letter of Credit is not provided at least thirty (30) days prior to the date on which the outstanding Letter of Credit is scheduled to expire, (iv) upon receipt of notice from the issuing bank that the Letter of Credit will be terminated (except if the termination of such Letter of Credit is permitted pursuant to the terms and conditions of this Agreement or a substitute Letter of Credit is provided prior to such termination), or (v) during the continuance of an Event of Default. Notwithstanding anything to the contrary contained in the above, Lender is not obligated to draw any Letter of Credit upon the happening of any of the foregoing events and shall not be liable for any losses sustained by Borrower due to the insolvency of the bank issuing the Letter of Credit if Lender has not drawn the Letter of Credit.

"**Liabilities**" shall have the meaning set forth in Section 9.2(b).

"**Lien**" shall mean any mortgage, deed of trust, lien (statutory or otherwise), pledge, hypothecation, easement, restrictive covenant, preference, assignment, security interest, or any other encumbrance, charge or transfer of, or any agreement to enter into or create any of the foregoing, on or affecting all or any portion of the Property or any interest therein, or any direct or indirect interest in Borrower, including any conditional sale or other title retention agreement,

any financing lease having substantially the same economic effect as any of the foregoing, the filing of any financing statement, and mechanic's, materialmen's and other similar liens and encumbrances.

"Loan" shall mean the loan in the original principal amount of TEN MILLION SIX HUNDRED SEVENTY FIVE THOUSAND and NO/100 DOLLARS (\$10,675,000.00) made by Lender to Borrower pursuant to this Agreement.

"Loan Documents" shall mean, collectively, this Agreement, the Note, the Mortgage, the Assignment of Leases, the Cash Management Agreement, the Clearing Account Agreement, the Environmental Indemnity, the Assignment of Management Agreement, the Assignment of Franchise Agreement, the Guaranty and any other documents, agreements, certificates, affidavits and instruments now or hereafter evidencing, securing or delivered to Lender in connection with the Loan, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Loan to Value Ratio" shall mean a ratio, as determined by Lender, in which, as of any date of determination by Lender: (i) the numerator is equal to the Outstanding Principal Balance and (ii) the denominator is equal to the appraised value of the Property based on an Appraisal.

"Major Contract" shall mean (i) any management or franchise (other than the Management Agreements and the Franchise Agreement) or (ii) any cleaning, maintenance, service or other contract or agreement of any kind (other than Leases) of a material nature (materiality for these purposes to include contracts in excess of \$100,000.00 or which extend beyond one year (unless cancelable on thirty (30) days or less notice)), in either case relating to the ownership, leasing, management, use, operation, maintenance, repair or restoration of the Property, whether written or oral.

"Major Lease" shall mean (i) the Antenna Leases, (ii) any new Lease for the purposes of permitting an antenna or similar device at the Property, (iii) any Leases or agreements constituting, on an annual basis, ten percent (10%) or more of available room nights, and (iv) any other Lease of all or a portion of the commercial space at the Property.

"Management Agreement" or **"Management Agreements"** shall mean, individually and/or collectively, as the context may require, the Property Management Agreement and the Asset Management Agreement.

"Manager" or **"Managers"** shall mean individually and/or collectively, as the context may require, Property Manager and Asset Manager.

"Managing Member" shall mean Waramaug LS Hotels VIII LLC, a Delaware limited liability company.

"Material Action" shall mean, with respect to any Person, to institute proceedings to have such Person be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against such Person or file a petition seeking, or consent

to, reorganization or relief with respect to such Person under any applicable federal, state, local or foreign law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Person or a substantial part of its property, or make any assignment for the benefit of creditors of such Person, or admit in writing such Person's inability to pay its debts generally as they become due, or declare or effectuate a moratorium on the payment of any obligation, or take action in furtherance of any such action.

“Material Adverse Effect” shall mean any material adverse effect upon (i) the business operations, economic performance, assets, condition (financial or otherwise), equity, contingent liabilities, prospects, material agreements or results of operations of Borrower, any Guarantor or the Property, (ii) the ability of Borrower or any Guarantor to perform their respective obligations under any of the Loan Documents, (iii) the enforceability or validity of any of the Loan Documents, the perfection or priority of any Lien created under any of the Loan Documents or the rights, interests or remedies of Lender under any of the Loan Documents, or (iv) the value, use operation of, or cash flows from, the Property.

“Material Alteration” shall have the meaning set forth in Section 4.1.11.

“Maturity Date” shall mean the date on which the final payment of principal of the Note becomes due and payable as herein and therein provided, whether at the Stated Maturity Date, by declaration of acceleration, or otherwise.

“Maximum Legal Rate” shall mean the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the indebtedness evidenced by the Note and as provided for herein or the other Loan Documents, under the laws of such Governmental Authority whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the Loan.

“Minimum Disbursement Amount” shall mean Fifteen Thousand and No/100 Dollars (\$15,000.00).

“Monthly Debt Service Payment” shall have the meaning set forth in Section 2.3.1.

“Monthly Payment Amount” shall mean, with respect to any Monthly Payment Date, the sum of (i) the Monthly Debt Service Payment and all deposits to the Reserve Funds (and, without duplication, all other amounts due under the Loan Documents) plus (ii) Approved Operating Expenses for the calendar month in which such Monthly Payment Date occurs (but without duplication for any expenses to be funded with amounts deposited to the Reserve Funds).

“Monthly Payment Date” shall mean the sixth (6th) day of every calendar month occurring during the Term commencing with January 6, 2017.

“Moody’s” shall mean Moody’s Investors Service, Inc.

“Mortgage” shall mean that certain first priority Amended, Restated and Consolidated Mortgage, Assignment of Leases and Rents and Security Agreement, dated as of the date hereof, executed and delivered by Borrower as security for the Loan and encumbering the Property, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Net Cash Flow” shall mean, for the period in question, the amount obtained by subtracting Operating Expenses for such period from Gross Revenue for such corresponding period.

“Net Operating Income” shall mean, for the period in question, the amount obtained by subtracting Operating Expenses for such period from Gross Revenue for such corresponding period.

“Net Proceeds” shall mean: (i) the net amount of all Insurance Proceeds payable as a result of a Casualty to the Property, after deduction of reasonable costs and expenses (including reasonable attorneys’ fees and costs), if any, in collecting such Insurance Proceeds or (ii) the net amount of the Award payable as a result of any Condemnation of the Property, after deduction of reasonable costs and expenses (including reasonable attorneys’ fees and costs), if any, in collecting such Award.

“Net Proceeds Deficiency” shall have the meaning set forth in Section 5.3.2(f).

“New Mezzanine Loan” shall have the meaning set forth in Section 9.3.

“Note” shall have the meaning set forth in Section 2.1.2.

“Notice” shall have the meaning set forth in Section 11.6.

“NRSRO” shall mean any credit rating agency that has elected to be treated as a nationally-recognized statistical rating agency for purposes of the Exchange Act irrespective of whether or not such credit rating agency has been engaged by Lender or another Indemnified Person to rate any of the Securities issued in connection with a Securitization of the Loan or any portion thereof.

“Obligations” shall mean, collectively, Borrower’s obligations for the payment of the Debt and the performance of the Other Obligations.

“OFAC” shall have the meaning set forth in Section 4.2.15(b).

“Officer’s Certificate” shall mean a certificate delivered to Lender by Borrower which is signed by an authorized senior officer of Borrower.

“Open Prepayment Date” shall mean the date which is the Monthly Payment Date occurring three (3) months prior to the Stated Maturity Date.

“Operating Expense Account” shall have the meaning set forth in Section 6.8

“Operating Expense Funds” shall have the meaning set forth in Section 6.8.

“Operating Expenses” shall mean all costs and expenses of operating, maintaining, directing, managing and supervising the Property (excluding (i) depreciation and amortization, (ii) any Debt Service, (iii) any Capital Expenditures, (iv) deposits required to be made to the Reserve Funds, or (v) the costs of any other things specified to be done or provided at Managers’ sole cost and expense), incurred by Borrower or a Manager pursuant to the Management Agreements, or as otherwise specifically provided therein, which are properly attributable to such period under Borrower’s system of accounting, including, without limitation: (a) the cost of all food and beverages sold or consumed and of all necessary chinaware, glassware, linens, flatware, uniforms, utensils and other items of a similar nature, including such items bearing the name or identifying characteristics of the hotel as Borrower and/or a Manager shall reasonably consider appropriate (collectively, the **“Operating Equipment”**) and paper supplies, cleaning materials and similar consumable items (collectively, the **“Operating Supplies”**) placed in use (other than reserve stocks thereof in storerooms), provided Operating Equipment and Operating Supplies shall be considered to have been placed in use when they are transferred from the storerooms of the Property to the appropriate operating departments; (b) salaries and wages of personnel of the Property, including costs of payroll taxes and employee benefits (which benefits may include, without limitation, a pension plan, medical insurance, life insurance, travel accident insurance and an executive bonus program) and the costs of moving employees of the Property and their families and their belongings to the area in which the Property is located at the commencement of their employment at the Property and all other expenses not otherwise specifically referred to in this definition which are referred to as “Administrative and General Expenses” in the Uniform System of Accounts; (c) the cost of all other goods and services obtained by Borrower or a Manager in connection with its operation of the Property, including, without limitation, heat and utilities, office supplies and all services performed by third parties, including leasing expenses in connection with telephone and data processing equipment, and all existing and any future installations necessary for the operation of the Improvements for hotel purposes (including, without limitation, heating, lighting, sanitary equipment, air conditioning, laundry, refrigerating, built-in kitchen equipment, telephone equipment, communications systems, computer equipment and elevators), Operating Equipment and existing and any future furniture, furnishings, wall coverings, fixtures and hotel equipment necessary for the operation of the Property for hotel purposes which shall include all equipment required for the operation of kitchens, bars, laundries (if any), and dry cleaning facilities (if any), office equipment, cleaning and engineering equipment and vehicles; (d) the cost of repairs to and maintenance of the Property other than of a capital nature; (e) Insurance Premiums and losses incurred on any self-insured risks of the foregoing types, provided that (1) Lender has specifically approved in advance such self-insurance or (2) insurance is unavailable to cover such risks. Insurance Premiums will be prorated over the period of insurance and Insurance Premiums under blanket Policies will be allocated among properties covered; (f) all Taxes and Other Charges (other than federal, state or local income taxes and franchise taxes or the equivalent) payable by or assessed against Borrower or a Manager with respect to the operation of the Property; (g) intentionally omitted; (h) the costs and expenses of technical consultants and specialized operational experts for specialized services in connection with non-recurring work on operational, legal, functional, decorating, design or construction problems and activities (but to the extent the same are non-

recurring, such costs and expenses shall not be considered Operating Expenses), including the reasonable fees of Guarantor, any Affiliate of Guarantor or any subsidiary or division of Guarantor or any Affiliate of Guarantor in connection therewith, provided that such employment of Guarantor, any Affiliate of Guarantor or of any such subsidiary or division of Guarantor or any Affiliate of Guarantor is approved in advance by Lender; provided, however, that if such costs and expenses have not been included in an Approved Annual Budget, then, if such costs exceed \$5,000 in any one instance, the same shall be subject to approval by Lender; (i) all expenses for advertising the Property and all expenses of sales promotion and public relations activities; (j) all out-of-pocket expenses and disbursements determined by the Independent CPA to have been reasonably, properly and specifically incurred by Borrower, a Manager, Guarantor or any of their respective Affiliates pursuant to, in the course of and directly related to, the management and operation of the Property under the Management Agreements (but to the extent the same are non-recurring, such expenses shall not be considered Operating Expenses). Without limiting the generality of the foregoing, such charges may include all reasonable travel, telephone, telegram, radiogram, cablegram, air express and other incidental expenses, but excluding costs relating to the offices maintained by Borrower, a Manager, Guarantor, or any of their respective Affiliates other than the offices maintained at the Property for the management of the Property and excluding transportation costs of Borrower or a Manager related to meetings between Borrower and a Manager with respect to administration of the Management Agreements, as applicable, or of the Property involving travel away from such party's principal offices; (k) the cost of any reservations system, any accounting services or other group benefits, programs or services from time to time made available to the Property; (l) the cost associated with any Leases; (m) any management fees, asset management fees, basic and incentive fees or other fees and reimbursables paid or payable to Managers under the Management Agreements; and (n) any franchise fees or other fees and reimbursables paid or payable to Franchisor under the Franchise Agreement.

“Other Charges” shall mean all ground rents, maintenance charges, impositions other than Taxes, and any other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Property, now or hereafter levied or assessed or imposed against the Property or any part thereof.

“Other Obligations” shall mean (i) the performance of all obligations of Borrower contained herein; (ii) the performance of each obligation of Borrower contained in the Note or any other Loan Document; and (iii) the performance of each obligation of Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of this Agreement, the Note or any other Loan Document.

“Outstanding Principal Balance” shall mean, as of any date, the outstanding principal balance of the Loan.

“Patriot Act” shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, as the same may be amended from time to time, and corresponding provisions of future laws.

“Patriot Act Offense” shall have the meaning set forth in Section 4.2.15(b).

“Payment Differential” shall mean, as of any Tender Date, an amount equal to (i) the Interest Rate minus the Reinvestment Yield as of such Tender Date, divided by (ii) 12, and multiplied by (iii) the Outstanding Principal Balance (or the portion thereof then being prepaid or satisfied) on such Tender Date, provided that the Payment Differential shall in no event be less than zero.

“Permitted Defeasance Date” shall mean the earlier of the date which is (i) two (2) years after the “startup day,” within the meaning of Section 860G(a)(9) of the Code, for the REMIC Trust established in connection with the last Securitization involving any portion of the Loan or (ii) four (4) years after the Closing Date.

“Permitted Encumbrances” shall mean, collectively, (i) the Liens and security interests created by the Loan Documents, (ii) all encumbrances and other matters disclosed in the Title Insurance Policy and otherwise acceptable to Lender in its sole discretion, (iii) Liens, if any, for Taxes imposed by any Governmental Authority not yet due or delinquent, (iv) any workers’, mechanics’ or similar Liens on the Property provided any such Lien is discharged or bonded in accordance with Section 3.6 of the Mortgage, and (v) such other title and survey exceptions as Lender has approved or may approve in writing in Lender’s reasonable discretion.

“Permitted Indebtedness” shall have the meaning set forth in clause (d) of Schedule III attached hereto

“Permitted Investments” shall have the meaning set forth in the Cash Management Agreement.

“Permitted Transferee” shall mean a corporation, partnership (including a limited or limited liability limited partnership), limited liability company or other type of entity acceptable to Lender that satisfies the following conditions: (i) such transferee and Transferee’s Principals shall be acceptable to Lender, which determination shall be based upon, inter alia, (a) such transferee and Transferee’s Principals having an aggregate net worth of at least \$15,000,000.00 and liquidity of at least \$2,000,000.00, (b) Lender’s receipt of searches (including credit, negative news, OFAC, litigation, judgment, lien and bankruptcy searches) reasonably required by Lender on such transferee and Transferee’s Principals, the results of which must be reasonably acceptable to Lender, and (c) such transferee and Transferee’s Principals otherwise satisfying Lender’s then current applicable underwriting criteria and requirements, (ii) such transferee shall qualify as a single purpose, bankruptcy remote entity under criteria established by the Rating Agencies, and (iii) if an Insolvency Opinion has previously been delivered in connection with the Loan, such transferee shall have delivered to Lender a new Insolvency Opinion, and (iv) such transferee, or Transferee’s Principals, shall be an experienced operator and/or owner of properties similar in location, size, class, use, operation and value as the Property, as evidenced by financial statements and other information reasonably requested by Lender or requested by the Rating Agencies.

"Person" shall mean any individual, corporation, partnership, limited liability company, joint venture, estate, trust, real estate investment trust, unincorporated association, any other entity, any Governmental Authority and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Policies" shall have the meaning set forth in Section 5.1.1(b).

"Prohibited Transaction" shall mean any action or transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Lender of any of its rights under the Note, this Agreement or the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under the ERISA or Section 4975 of the Code.

"Property" shall mean the parcel of real property, the Improvements thereon and all personal property owned by Borrower and encumbered by the Mortgage, together with all rights pertaining to such property and Improvements, all as more particularly described in the granting clause of the Mortgage.

"Property Condition Report" shall mean that certain Property Condition Report dated September 20, 2016 prepared by Partner Assessment Corporation (Partner); Partner Project No. 16-168211.1.

"Property Management Agreement" shall mean the management agreement entered into by and between Borrower and Property Manager, pursuant to which Property Manager is to provide management and other services with respect to the Property as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time in accordance with the terms and provisions of this Agreement, or, if the context requires, the Replacement Management Agreement executed in accordance with the terms and provisions of this Agreement.

"Property Manager" shall mean Interstate Management Company LLC, a Delaware limited liability company, or any other manager approved by Lender and the Rating Agencies in accordance with the terms and conditions of the Loan Documents, including, without limitation, Article 7 of this Agreement.

"Projected Shortfall" shall mean, (i) with respect to any time other than during the continuance of a Cash Management Trigger Event Period, with respect to any Monthly Payment Date, the amount by which the Monthly Payment Amount exceeds Available Cash Flow and (ii) with respect to any time during the continuance of a Cash Management Trigger Event Period, with respect to any Monthly Payment Date, the amount equal to the difference between the amounts required to be deposited pursuant to Section 6.11.1(a)(i)-(vii) and the amount of the funds on deposit in the Cash Management Account.

"PIP Reserve Account" shall have the meaning set forth in Section 6.12.

"PIP Reserve Funds" shall have the meaning set forth in Section 6.12.

"PIP Work" shall mean any replacements and/or alterations to the Property required by a Franchisor to be completed from time to time but excluding FF&E Work.

"Qualified Franchisor" shall mean (i) Franchisor, (ii) Approved Franchisor or (iii) a reputable and experienced franchisor which, in the reasonable judgment of Lender, possesses experience in flagging hotel properties similar in location, size, class, use, operation and value as the Property; provided, that Lender, at its option, may require that Borrower shall have obtained (a) a Rating Agency Confirmation from the Rating Agencies, and (b) if such Person is an Affiliate of Borrower and an Insolvency Opinion has previously been delivered in connection with the Loan, a new Insolvency Opinion.

"Qualified Manager" shall mean (i) Property Manager (with respect to the Property Management Agreement), (ii) Asset Manager (with respect to the Asset Management Agreement) or (ii) a reputable and experienced manager (which, subject to the terms of this Agreement, may be an Affiliate of Borrower) which, in the judgment of Lender, possesses experience in managing properties similar in location, size, class, use, operation and value as the Property; provided, that Lender, at its option, may require that Borrower shall have obtained (a) a Rating Agency Confirmation from the Rating Agencies and (b) if such Person is an Affiliate of Borrower and an Insolvency Option has previously been delivered in connection with the Loan, a new Insolvency Opinion.

"Rating Agencies" shall mean, prior to the final Securitization of the Loan, each of S&P, Moody's, Fitch, DBRS, Inc. and Morningstar Credit Ratings, LLC or any other nationally-recognized statistical rating agency which has been designated by Lender and, after the final Securitization of the Loan, shall mean any of the foregoing that have rated any of the Securities.

"Rating Agency Confirmation" shall mean a written affirmation from each of the Rating Agencies that the credit rating of the Securities given by such Rating Agency immediately prior to the occurrence of the event with respect to which such Rating Agency Confirmation is sought will not be qualified, downgraded or withdrawn as a result of the occurrence of such event, which affirmation may be granted or withheld in such Rating Agency's sole and absolute discretion; provided, however, (i) if a Securitization has occurred and either (a) any Rating Agency fails to respond to any request for a Rating Agency Confirmation with respect to such event or otherwise elects (orally or in writing) not to consider such event or (b) Lender (or Servicer) is not required to and has elected not to obtain (or cause to be obtained) a Rating Agency Confirmation with respect to such event, in each case, pursuant to and in compliance with the Securitization's pooling and servicing agreement (or similar agreement), then, notwithstanding anything contained in this Agreement to the contrary, Lender's written approval of such event shall be required in lieu of a Rating Agency Confirmation, in the case of clause (i)(a) above, from such Rating Agency or Rating Agencies (only) or, in the case of clause (i)(b) above, from each of the Rating Agencies or (ii) if a Securitization has not occurred, then, notwithstanding anything contained in this Agreement to the contrary, the term "Rating Agency Confirmation" shall be deemed instead to require Lender's written approval of such event. In the event that either of clause (i) or (ii) of the foregoing proviso applies, Lender's approval shall be based on Lender's good faith determination of applicable Rating Agency standards and criteria, unless Lender has an

independent approval right in respect of such event pursuant to the other terms of this Agreement or the other Loan Documents, in which case the discretion afforded to Lender in connection with such independent approval right shall apply.

“Regulation AB” shall mean Regulation AB under the Securities Act and the Exchange Act, as such regulation may be amended from time to time.

“Reinvestment Yield” shall mean, as of any Tender Date, an amount equal to the lesser of (i) the yield on the U.S. Obligations with the same maturity date as the Stated Maturity Date, or if no such U.S. Obligations issue is available, then the interpolated yield on the two (2) U.S. Obligations issues (primary issues) with maturity dates (one prior to and one following) that are closest to the Stated Maturity Date or (ii) the yield on the U.S. Obligations with a term equal to the remaining average life of the Debt, or if no such U.S. Obligations are available, then the interpolated yield on the two (2) U.S. Obligations issues (primary issues) with terms (one prior to and one following) that are closest to the remaining average life of the Debt, with each such yield being based on the bid price for such issue as published in *The Wall Street Journal* on the date that is fourteen (14) days prior to the Tender Date (or, if such bid price is not published on that date, the next preceding date on which such bid price is so published) and converted to a monthly compounded nominal yield.

“Release Date” shall have the meaning set forth in Section 2.6.1(a).

“REMIC Trust” shall mean a “real estate mortgage investment conduit” within the meaning of Section 860D of the Code that holds the Note or any interest therein.

“Rents” shall mean all rents, rent equivalents, moneys payable as damages (including payments by reason of the rejection of a Lease in a Bankruptcy Action) or in lieu of rent or rent equivalents, royalties (including all oil and gas or other mineral royalties and bonuses), income, fees, receivables, receipts, revenues, deposits (including, without limitation, security, utility and other deposits (including, without limitation, cash, letters of credit or securities deposited under Leases to secure the performance by the lessees of their obligations thereunder)), accounts, cash, issues, profits, charges for services rendered, and other payment and consideration of whatever form or nature received by or paid to or for the account of or benefit of Borrower, Managers or any of their respective agents or employees from any and all sources arising from or attributable to the Property and the Improvements, including, without limitation, all hotel receipts, revenues and credit card receipts collected from guest rooms, restaurants, bars, meeting rooms, banquet rooms and recreational facilities, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of property or rendering of services by Borrower or any operator or manager of the hotel or any commercial space located in the Improvements or acquired from others (including, without limitation, from the rental of any office space, retail space, guest rooms or other space, halls, stores, and offices, and deposits securing reservations of such space), license, lease, sublease and concession fees and rentals, health club membership fees, food and beverage wholesale and retail sales, service charges, vending machine sales and the Insurance Proceeds, if any, from business interruption or other loss of income insurance.

“Replacement Franchise Agreement” shall mean, collectively, (i)(a) a franchise, trademark and license agreement with a Qualified Franchisor substantially in the same form and substance as the Franchise Agreement, or (b) a franchise, trademark and license agreement with a Qualified Franchisor, which franchise, trademark and license agreement shall be in form and substance reasonably acceptable to Lender; provided, that , with respect to this clause (b), Lender, at its option, may require that Borrower shall have obtained a Rating Agency Confirmation, and (ii) a comfort letter/tri-party agreement/non-disturbance agreement/assignment of franchise agreement and subordination of franchise fees or similar agreement in form and substance reasonably satisfactory to Lender, executed and delivered to Lender by such Qualified Franchisor and, if necessary, Borrower.

“Replacement Management Agreement” shall mean, collectively, (i)(a) a management agreement and/or asset management agreement, respectively, with a Qualified Manager substantially in the same form and substance as the Property Management Agreement or Asset Management Agreement, respectively, or (b) a management agreement or asset management agreement, respectively, with a Qualified Manager, which management agreement or asset management agreement, respectively, shall be in form and substance reasonably acceptable to Lender; provided, that, with respect to this clause (b), Lender, at its option, may require that Borrower shall have obtained a Rating Agency Confirmation, and (ii) an assignment of management agreement and subordination of management fees or assignment of asset management agreement and subordination of asset management fees, respectively, substantially in the form then used by Lender (or in such other form and substance reasonably satisfactory to Lender), executed and delivered to Lender by Borrower and such Qualified Manager.

“Required Repairs” shall have the meaning set forth in Section 4.1.20.

“Reserve Disbursement Conditions” shall mean (i) Borrower shall have submitted a request for payment to Lender at least ten (10) days prior to the date on which Borrower has requested such payment be made, which request specifies the Required Repairs or Approved FF&E Expenses, as applicable, to be paid, (ii) on the date such request is received by Lender and on the date such payment is to be made, no Event of Default shall have occurred and be continuing, and (iii) Lender shall have received (a) an Officer’s Certificate from Borrower an Officer’s Certificate from Borrower (in the form attached hereto as Exhibit E which is deemed approved by Lender subject to Lender’s right to make reasonable adjustments to such form) (1) in the case of a requested disbursement of FF&E Funds, stating that the items to be funded by the requested disbursement are Approved FF&E Expenses, and a description thereof, (2) stating that all Approved FF&E Expenses to be funded by the requested disbursement have been completed in a good and workmanlike manner and in accordance with all applicable Legal Requirements, (3) identifying each Person that supplied materials or labor in connection with Approved FF&E Expenses to be funded by the requested disbursement, (4) stating that each such Person has been paid in full or will be paid in full upon such disbursement, (5) stating that the Approved FF&E Expenses to be funded have not been the subject of a previous disbursement of FF&E Funds, (6) stating that all previous disbursements of FF&E Funds have been used to pay the previously identified Approved FF&E Expenses and (7) stating that all outstanding trade payables which are due and payable (other than those to be paid from the requested disbursement

or those constituting Permitted Indebtedness) have been paid in full, (b) a copy of any license, permit or other approval by any Governmental Authority required in connection with the FF&E Work and not previously delivered to Lender, (c) lien waivers or other evidence of payment satisfactory to Lender, if applicable, (d) at Lender's option, a title search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not previously approved by Lender, (e) at Lender's option, if the cost of the Approved FF&E Expenses exceeds \$75,000.00, a report satisfactory to Lender in its reasonable discretion from an architect or engineer approved by Lender in respect of such architect or engineer's inspection of FF&E Work and (f) such other evidence as Lender shall reasonably request to demonstrate that the Approved FF&E Expenses, to be funded by the requested disbursement have been completed and are paid for or will be paid upon such disbursement to Borrower.

"Reserve Funds" shall mean, collectively, all funds deposited by Borrower with Lender or the Cash Management Bank pursuant to Article 6 of this Agreement, including, but not limited to, the FF&E Funds, the Insurance Funds, the Tax Funds, the Operating Expense Funds, the Seasonality Reserve Funds, the PIP Reserve Funds, the Excess Cash Flow Funds, the Debt Service Funds, any other escrow or reserve fund established by the Loan Documents and such other amounts deposited by or on behalf of Borrower with Lender as security for the Loan pursuant to the Loan Documents.

"Restoration" shall have the meaning set forth in Section 5.2.1.

"Restoration Threshold" shall mean five percent (5%) of the Original Principal Balance.

"Restricted Party" shall mean, collectively, (i) Borrower, any Guarantor, , any Affiliated Franchisor and any Affiliated Manager and (ii) any shareholder, partner, member, non-member manager or any other direct or indirect legal or beneficial owner of Borrower, any Guarantor, any Affiliated Manager, any Affiliated Franchisor or any non-member manager.

"Road Work" shall mean that certain road work required by the Town of Islip, New York (the "**Town**") pursuant to that certain letter dated April 11, 2016 (the "**Road Work Letter**"), which is either (a) to be completed by BRE NE Hospitality Property Owner LLC, a Delaware limited liability company ("**Seller**") pursuant to that certain Agreement of Purchase and Sale dated as of August 22, 2016, by and between Seller and WLS Holdings LLC, a Delaware limited liability company (predecessor in interest to Borrower), as amended, and as more particularly set forth on Schedule XI or (b) to be undertaken by the Town, provided the Town has released Seller, Borrower and the Property from any obligations under such Road Work Letter (as reasonably demonstrated to Lender).

"S&P" shall mean Standard & Poor's Ratings Group, a division of the McGraw-Hill Companies.

"Satisfactory Replacement Guarantor" shall have the meaning set forth in Section 8.3.

"Seasonality Reserve Account" shall have the meaning set forth in Section 6.6.

"Seasonality Reserve Cap" shall have the meaning set forth in Section 6.6.

"Seasonality Reserve Funds" shall have the meaning set forth in Section 6.6.

"Secondary Market Transaction" shall have the meaning set forth in Section 9.1(a).

"Securities" shall have the meaning set forth in Section 9.1(a).

"Securities Act" shall have the meaning set forth in Section 9.2(a).

"Securitization" shall have the meaning set forth in Section 9.1(a).

"Servicer" shall have the meaning set forth in Section 11.24.

"Servicing Agreement" shall have the meaning set forth in Section 11.24.

"Severed Loan Documents" shall have the meaning set forth in Section 10.2(c).

"SPDES Discharge Permit" shall mean that certain "State Pollutant Discharge Elimination System (the "SPDES") Discharge Permit No. NY-0227285" issued by the New York State Department of Environmental Conservation (the "NYSDEC") with respect to the on-site septic system located at the Property.

"State" shall mean the State or Commonwealth in which the Property or any part thereof is located.

"Stated Maturity Date" shall mean December 6, 2026.

"Substitution" shall have the meaning set forth in Section 8.3.

"Survey" shall mean a survey of the Property prepared by a surveyor licensed in the State and satisfactory to Lender and the company or companies issuing the Title Insurance Policy, and containing a certification of such surveyor satisfactory to Lender.

"Tax Account" shall have the meaning set forth in Section 6.3.1.

"Tax Funds" shall have the meaning set forth in Section 6.3.1.

"Taxes" shall mean all real estate and personal property taxes, assessments, water rates or sewer rents, now or hereafter levied or assessed or imposed against the Property or part thereof, together with all interest and penalties thereon.

"Tenant" shall mean any Person obligated by contract or otherwise to pay monies (including a percentage of gross income, revenue or profits) under any Lease now or hereafter affecting all or any part of the Property.

"Tenant Direction Letter" shall have the meaning set forth in Section 6.1.

“Tender Date” shall mean the date of any prepayment of the Loan contemplated under Sections 2.4.1, 2.4.2 or 2.4.3.

“Term” shall mean the entire term of this Agreement, which shall expire upon repayment in full of the Debt and full performance of each and every obligation to be performed by Borrower pursuant to the Loan Documents.

“Term Sheet” shall mean that certain term sheet dated August 22, 2016 (as amended) executed by Borrower, together with all exhibits and documentation attached thereto and/or submitted by Borrower, Guarantor or their respective Affiliates in connection therewith.

“Title Insurance Policy” shall mean an ALTA mortgagee title insurance policy in the form acceptable to Lender issued with respect to the Property and insuring the Lien of the Mortgage.

“Transfer” shall have the meaning set forth in Section 4.2.1.

“Transferee’s Principals” shall mean, with respect to any proposed transferee, such transferee’s shareholders, partners, members or non-member managers that, directly or indirectly, (i) own twenty percent (20%) or more of the legal, beneficial or economic interests in such Transferee or (ii) are in Control of such Transferee.

“Trustee” shall mean any trustee holding the Loan in a Securitization.

“UCC” or **“Uniform Commercial Code”** shall mean the Uniform Commercial Code as in effect in the State.

“Underwritten Gross Revenue” shall mean, as of any date of determination by Lender, all sustainable Gross Revenue for the preceding twelve (12) month period as determined by Lender received by Borrower or any Manager for the use, occupancy or enjoyment of the Property, or any part thereof, or received by Borrower or any Manager for the sale of any goods, services or other items sold on or provided from the Property in the ordinary course of operating the Property, including, but not limited to (i) all income and proceeds received from Leases and rental of rooms, commercial space and meeting, conference and/or banquet space within the Property (including net parking revenue) and (ii) all income and proceeds received from food and beverage operations and from catering services conducted from the Property even though rendered outside of the Property, but excluding (a) gross receipts received by lessees, licensees or concessionaires of the Property, (b) consideration received at the Property for hotel accommodations, goods and services to be provided at other hotels, although arranged by, for or on behalf of Borrower or any Manager, (c) income and proceeds from the sale or other disposition of goods, capital assets (including furniture, fixtures and equipment) and other items not in the ordinary course of operating the Property, (d) federal, state and municipal excise, sales, use, occupancy or other taxes collected directly from patrons or guests of the Property as a part of or based on the sales price of any goods, services or other items, such as gross receipts, room, admission, cabaret or other taxes on receipts required to be accounted for by or on behalf of Borrower to any Governmental Authority, (e) gratuities collected by the Property employees,

(f) any credits or refunds made to customers, guests or patrons in the form of allowances or adjustments to previously recorded revenues, (h) other refunds and uncollectible accounts, (i) Insurance Proceeds (other than business or rental interruption or other loss of income insurance applicable to the period under consideration (but only to the extent that the same is treated as business or rental interruption Insurance Proceeds pursuant to Section 5.2.3)), (j) Awards, (k) security deposits, utility and other similar deposits, (l) any disbursements to Borrower from the Reserve Funds, (m) interest on credit accounts, and (n) items of a non-recurring nature or other income or proceeds resulting other than from the use or occupancy of the Property, or any part thereof, or other than from the sale of goods, services or other items sold on or provided from the Property in the ordinary course of business. Lender's calculation of Underwritten Gross Revenue shall be subject to such other adjustments deemed necessary by Lender based on Lender's current applicable underwriting criteria and requirements and Lender's good faith determination of applicable Rating Agency criteria.

"Underwritten Net Cash Flow" shall mean, as of any date of determination by Lender, (i) Underwritten Gross Revenue, less (ii)(a) Adjusted Operating Expenses and (b) FF&E Fund contributions equal to assumed FF&E Fund contributions in an amount equal to four percent (4%) of the Gross Revenue generated during the preceding twelve (12) month period and (2) deposits required to be made to the FF&E Funds during the succeeding twelve (12) month period as determined by Lender.

"Uniform System of Accounts" shall mean the most recent edition of the Uniform System of Accounts for Hotels, as adopted by the American Hotel and Motel Association.

"Updated Information" shall have the meaning set forth in Section 9.1(b)(i).

"U.S. Obligations" shall mean securities evidencing an obligation to timely pay principal and/or interest in a full and timely manner that are (i) direct obligations of the United States of America for the payment of which its full faith and credit is pledged, not subject to prepayment, call or early redemption or (ii) other non-callable "government securities" within the meaning of Treasury Regulations Section 1.860G-2(a)(8)(ii), as amended, which (a) will not result in a reduction, downgrade or withdrawal of the ratings for the Securities or any class thereof issued in connection with a Securitization, (b) are then outstanding, and (c) are then being generally accepted by the Rating Agencies without any reduction, downgrade or withdrawal of the ratings for the Securities or any class thereof issued in connection with a Securitization.

"Yield Maintenance Premium" shall mean, as of any Tender Date, an amount equal to the greater of (i) one percent (1%) of the Outstanding Principal Balance, or portion thereof, being prepaid or satisfied unless as of such Tender Date an Event of Default shall have occurred and then be continuing, in which event, five percent (5%) of the Outstanding Principal Balance, or portion thereof, being prepaid or satisfied, and (ii) an amount equal to the present value of a series of payments, in each case, each equal to the Payment Differential as of such Tender Date and payable on each Monthly Payment Date over the remaining original term of the Note until the Stated Maturity Date and on the Stated Maturity Date, discounted at the Reinvestment Yield as of such Tender Date for the number of months remaining from such Tender Date to each Monthly Payment Date until the Stated Maturity Date.

"Zoning Report" shall mean that certain zoning report prepared for Lender regarding the Property and prepared by Zoning-Info, Inc. dated October 31, 2016.

SCHEDULE II

RENT ROLL

(See attached)

SCHEDULE II

RENT ROLL

Holiday Inn Express – Hauppauge

Description of Rented or Leased Space	Lease Commencement Date	Current Monthly Rent	Rent Escalations
AT&T Wireless Antenna Lease	07-16-02	\$2,822.22	3% per year
Omnipoint (T-Mobile) Antenna Lease	11-05-02	\$3,766.79	3% per year
Sprint Antenna Lease	01-09-04	\$3,636.88	15% at the beginning of each 5-year renewal period
Verizon Antenna Lease	05-01-02	\$3,950.00	15% at the beginning of each 5-year renewal period

SCHEDULE III

SINGLE PURPOSE PROVISIONS

(a) Borrower has not owned, does not own and will not own any asset or property other than (i) the Property and (ii) incidental personal property necessary for the ownership, management or operation of the Property.

(b) Borrower has not engaged, does not engage, and will not engage in any business other than the ownership, management and operation of the Property and Borrower will conduct and operate its business as presently conducted and operated.

(c) Borrower has not entered and is not a party to and will not enter into or be a party to any contract or agreement with any Affiliate of Borrower, any constituent party of Borrower or any Affiliate of any constituent party, except in the ordinary course of business and on terms and conditions that are disclosed to Lender in advance and that are intrinsically fair, commercially reasonable and substantially similar to those that would be available on an arms-length basis with third parties other than any such party.

(d) Borrower has not incurred and will not incur any Indebtedness other than (i) the Debt and (ii) unsecured trade payables and operational debt not evidenced by a note and in an aggregate amount not exceeding three percent (3%) of the original principal amount of the Loan at any one time; provided that any Indebtedness incurred pursuant to subclause (ii) shall be (A) not more than sixty (60) days past due and (B) incurred in the ordinary course of business (the Indebtedness described in the foregoing clauses (i) and (ii) is referred to herein, collectively, as "**Permitted Indebtedness**"). No Indebtedness other than the Debt may be secured (subordinate or pari passu) by the Property.

(e) Borrower has not made and will not make any loans or advances to any Person (including any Affiliate or constituent party), and has not acquired and shall not acquire obligations or securities of its Affiliates.

(f) Borrower is and intends to remain solvent and Borrower has paid and will pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from Net Operating Income and available Reserve Funds, as the same shall become due; provided, however, that the foregoing shall not require any direct or indirect member, partner or shareholder of Borrower to make any additional capital contributions to Borrower.

(g) Borrower has done or caused to be done and will do all things necessary to observe organizational formalities and preserve its existence, and Borrower will not, (i) terminate or fail to comply with the provisions of its organizational documents, or (ii) unless (A) Lender has consented and (B) following a Securitization of the Loan, the Rating Agencies have issued a Rating Agency Confirmation in connection therewith, amend, modify or otherwise change in any material respect its partnership certificate, partnership agreement, articles of incorporation and bylaws, operating agreement, trust or other organizational documents.

(h) Borrower has maintained and will maintain all of its accounts, books, records, financial statements and bank accounts separate from those of its Affiliates and any other Person. Borrower's assets have not been and will not be listed as assets on the financial statement of any other Person; provided, however, that Borrower's assets may be included in a consolidated financial statement of its Affiliates if (i) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of Borrower and such Affiliates and to indicate that Borrower's assets and credit are not available to satisfy the debts and other obligations of such Affiliates or any other Person, and (ii) such assets shall be listed on Borrower's own separate balance sheet. Borrower has and will file its own tax returns (to the extent Borrower is required to file any such tax returns) and will not file a consolidated federal income tax return with any other Person. Borrower has maintained and shall maintain its books, records, resolutions and agreements as official records.

(i) Borrower has been and will be, and has held and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity (including any Affiliate of Borrower or any constituent party of Borrower), has corrected and shall correct any known misunderstanding regarding its status as a separate entity, has conducted and shall conduct business in its own name, has not identified and shall not identify itself or any of its Affiliates as a division or part of the other, and has maintained and shall maintain and utilize separate stationery, invoices and checks bearing its own name.

(j) Borrower has maintained and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; provided, however, that the foregoing shall not require any direct or indirect member, partner or shareholder of Borrower to make any additional capital contributions to Borrower.

(k) Neither Borrower nor any constituent party has sought or will seek or effect the liquidation, dissolution, winding up, consolidation or merger, in whole or in part, of Borrower.

(l) Borrower has not commingled and will not commingle the funds and other assets of Borrower with those of any Affiliate or constituent party or any other Person, and has held and will hold all of its assets in its own name.

(m) Borrower has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any Affiliate or constituent party or any other Person.

(n) Borrower has not assumed or guaranteed or become obligated for the debts of any other Person and has not held itself out to be responsible for or have its credit available to satisfy the debts or obligations of any other Person, and Borrower will not assume or guarantee or become obligated for the debts of any other Person and does not and will not hold itself out to be responsible for or have its credit available to satisfy the debts or obligations of any other Person.

(o) Borrower hereby covenants and agrees that it will comply with or cause the compliance with, (i) all the representations, warranties and covenants in Sections 3.1.24 and 4.1.15 and this Schedule III, and (ii) all the organizational documents of Borrower.

(p) Borrower has not permitted and will not permit any Affiliate or constituent party independent access to its bank accounts.

(q) Borrower has paid and shall pay the salaries of its own employees (if any) from its own funds and has and shall maintain a sufficient number of employees (if any) in light of its contemplated business operations; provided, however, that the foregoing shall not require any direct or indirect member, partner or shareholder of Borrower to make any additional capital contributions to Borrower.

(r) Borrower has compensated and shall compensate each of its consultants and agents from its funds for services provided to it and pay from its own assets all obligations of any kind incurred; provided, however, that the foregoing shall not require any direct or indirect member, partner or shareholder of Borrower to make any additional capital contributions to Borrower.

(s) Borrower has not, and without the unanimous consent of all of its members, partners, directors or managers will not, take any action that might reasonably be expected to cause Borrower to become insolvent.

(t) Borrower has allocated and will allocate fairly and reasonably any shared expenses, including shared office space.

(u) Except in connection with the Loan, Borrower has not pledged and will not pledge its assets for the benefit of any other Person.

(v) Borrower either (i) has no, and will have no, obligation to indemnify its officers, directors, managers, members, shareholders or partners, as the case may be, or (ii) if it has any such obligation, such obligation is fully subordinated to the Debt and will not constitute a claim against Borrower if cash flow in excess of the amount required to pay the Debt is insufficient to pay such obligation.

(w) Borrower will consider the interests of Borrower's creditors in connection with all limited liability company or limited partnership actions.

(x) Except as provided in the Loan Documents, Borrower has not and will not have any of its obligations guaranteed by any Affiliate.

(y) Borrower's organizational documents shall provide that as long as any portion of the Obligations remain outstanding,

(i) Borrower will not:

(A) dissolve, merge, liquidate or consolidate, except as provided in clause (y)(ii) below;

(B) except in connection with a sale or other transfer permitted under the Loan Documents, sell all or substantially all of its assets;

(C) amend its organizational documents with respect to the matters set forth in this Schedule III, without the prior written consent of Lender; or

(D) without the affirmative vote of its each of its members or partners, take any Material Action with respect to itself or to any other entity in which it has a direct or indirect legal or beneficial ownership interest.

(ii) Borrower shall be dissolved, and its affairs shall be wound up, only upon the first to occur of the following: (A) the termination of the legal existence of the last remaining member of Borrower or the occurrence of any other event which terminates the continued membership of the last remaining member of Borrower in Borrower unless the business of Borrower is continued in a manner permitted by its operating agreement or the Delaware Limited Liability Company Act (the “**Act**”), or (B) the entry of a decree of judicial dissolution under Section 18-802 of the **Act**;

(iii) upon the occurrence of any event that causes the last remaining member of Borrower or the sole member of Borrower (in each case, the “**Final Member**”) to cease to be a member of Borrower (other than (A) upon an assignment by Final Member of all of its limited liability company interest in Borrower and the admission of the transferee, if permitted pursuant to the organizational documents of Borrower and the Loan Documents, or (B) the resignation of Final Member and the admission of an additional member of Borrower, if permitted pursuant to the organizational documents of Borrower and the Loan Documents), to the fullest extent permitted by law, the personal representative of such last remaining member shall be authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such member in Borrower, agree in writing (1) to continue the existence of Borrower and (2) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of Borrower, effective as of the occurrence of the event that terminated the continued membership of such member in Borrower;

(iv) the bankruptcy of Final Member or a special member of Borrower shall not cause Final Member or such special member, respectively, to cease to be a member of Borrower and upon the occurrence of such an event, the business of Borrower shall continue without dissolution;

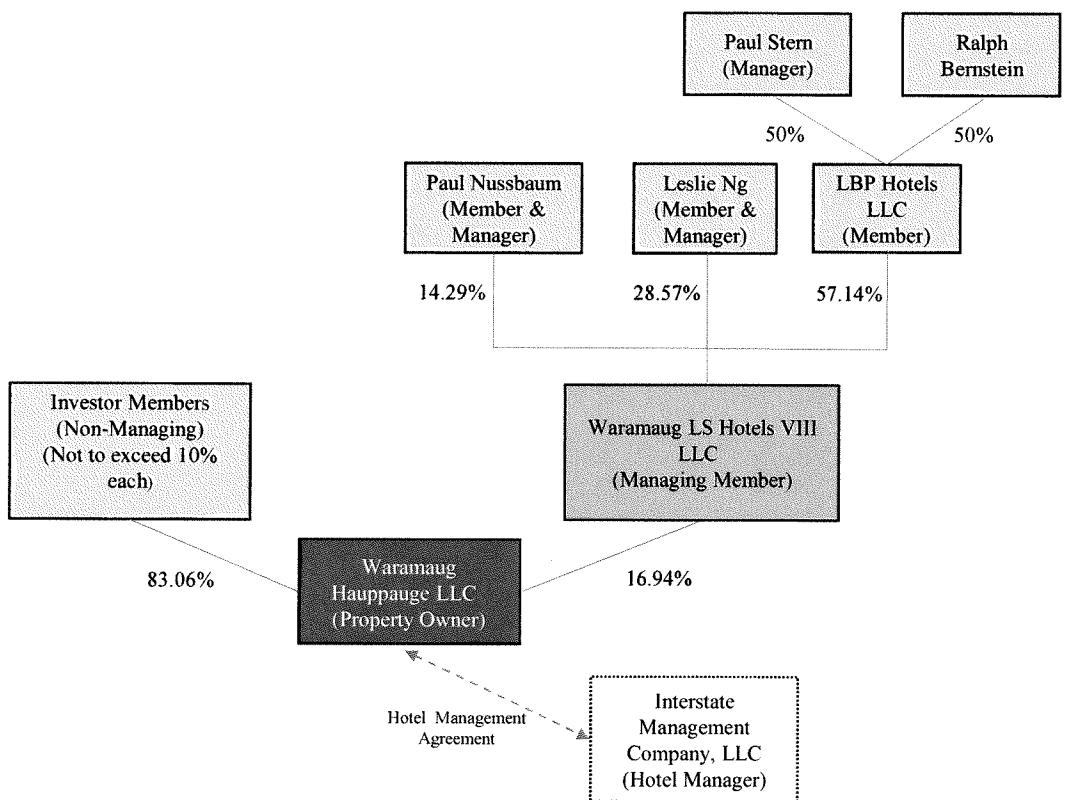
(v) in the event of the dissolution of Borrower, Borrower shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of

Borrower in an orderly manner), and the assets of Borrower shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act; and

(vi) to the fullest extent permitted by law, each of Final Member and the special members of Borrower shall irrevocably waive any right or power that they might have to cause Borrower or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of Borrower, to compel any sale of all or any portion of the assets of Borrower pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of Borrower.

SCHEDULE IV
ORGANIZATIONAL CHART

Holiday Inn Express Hauppauge, NY



SCHEDULE V

REQUIRED REPAIRS

1. Install handrails on the existing exterior ramp on the southern side of the building.
2. Repair an active water leak at the hotel water line in the mechanical room.

*Within one hundred eighty (180) days of the Closing Date.

SCHEDULE VI

SECONDARY MARKET TRANSACTION INFORMATION

- (A) Any proposed program for the renovation, improvement or development of the Property, or any part thereof, including the estimated cost thereof and the method of financing to be used.
- (B) The general competitive conditions to which the Property is or may be subject.
- (C) Management of the Property.
- (D) Occupancy rate expressed as a percentage for each of the last five (5) years.
- (E) Principal business, occupations and professions carried on in, or from the Property.
- (F) Number of Tenants occupying 10% or more of the total rentable square footage of the Property and principal nature of business of such Tenant, and the principal provisions of the Leases with those Tenants including, but not limited to: rental per annum, expiration date and renewal options.
- (G) The average effective annual rental per square foot or unit for each of the last three (3) years prior to the date of filing.
- (H) Schedule of the Lease expirations for each of the ten (10) years starting with the year in which the registration statement is filed (or the year in which the prospectus supplement is dated, as applicable), stating:
 - (1) The number of Tenants whose Leases will expire.
 - (2) The total area in square feet covered by such Leases.
 - (3) The annual rental represented by such Leases.
 - (4) The percentage of gross annual rental represented by such Leases.

SCHEDULE VII
INTENTIONALLY OMITTED

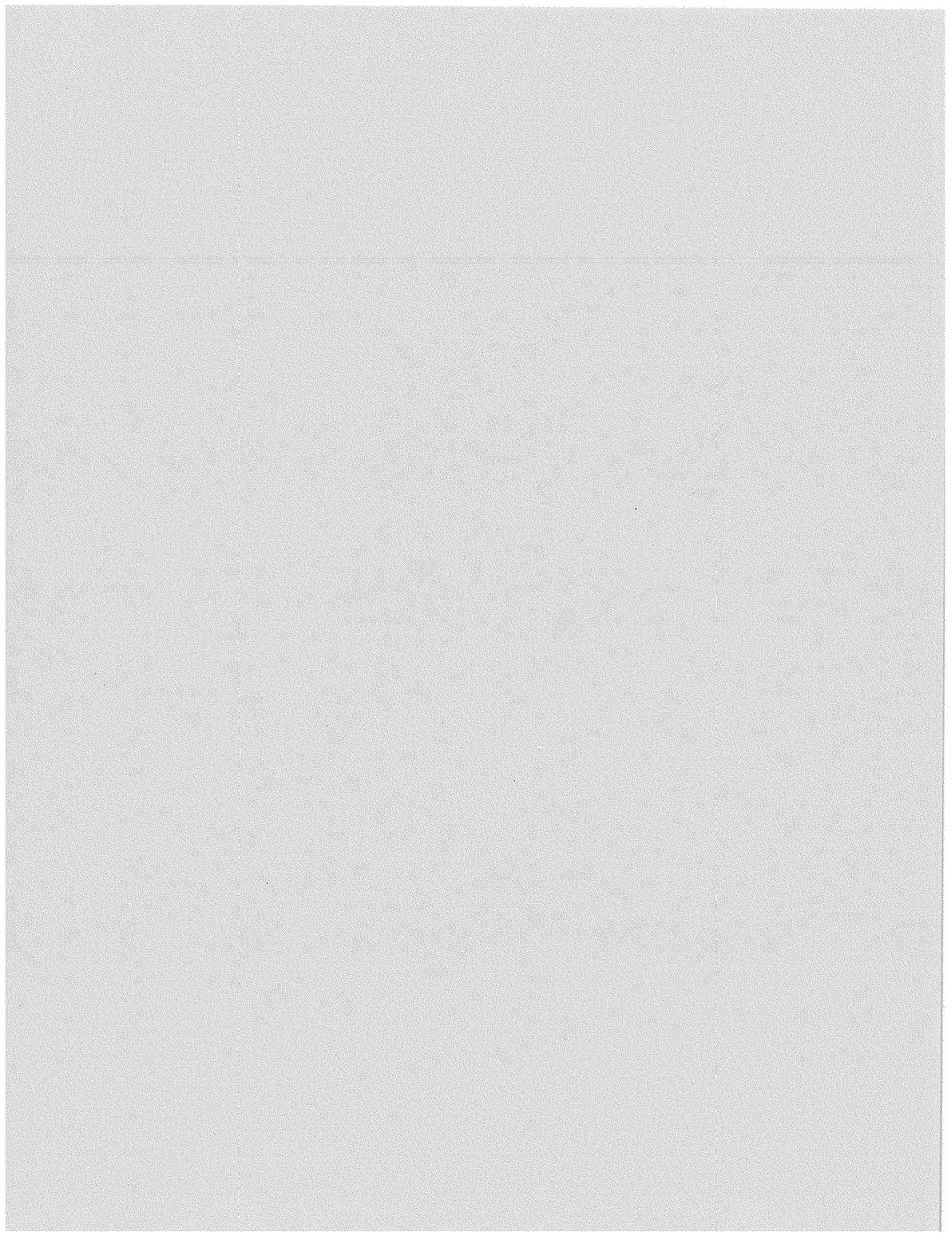
SCHEDULE VIII
INTENTIONALLY OMITTED

SCHEDULE IX

IMMEDIATE PIP WORK AND FUTURE PIP WORK

Holiday Inn Express: Hauppauge-Long Island Revised 10/11/16

Section	2017	2021
I. Exterior Areas	\$ -	\$ -
II. Public Areas	\$ 19,990.00	\$ 165,000.00
III. Recreational Areas	\$ 12,330.00	\$ -
IV. Heart of House Areas	\$ -	\$ -
V. Guest Room Areas	\$ 128,675.00	\$ 216,125.00
VI. Life Safety	\$ -	\$ -
VII. Soft Costs	\$ 10,000.00	\$ 50,000.00
Total	\$170,995.00	\$ 431,125.00



Combined						
Description	Unit	Amount	Cost	Total	Total	2017
Construction						2021
I. Exterior Areas						
A. Building						
No scope required						
B. Landscaping						
No scope required						
C. Porte Cochere						
No Scope Required						
D. Signage						
No scope required						
E. Site						
No scope required						
I. Total						
II. Public Areas						
A. Breakfast Bar						
Relocate the coffee bar and chalkboard feature outside of the breakfast bar enclosure. Minimum size 30in H x 6ftL. <i>Required by May 3, 2021</i>						
Provide enclosed by breakfast bar space with garage, barn, or pocket doors to separate serving area from seating area. <i>Required by May 3, 2021</i>						
Replace all breakfast buffet cabinetry and countertops. Minimum size 30in D x 34in H x 23ft L 29ft. Install Express Start breakfast components <i>Required by May 3, 2021</i>						
Replace existing trash containers with new trash consoles outside the breakfast bar enclosure <i>Required by May 3, 2021</i>						
B. Business Center						
No scope required						
C. Entrance Vestibule						
No scope required						
D. Front Desk Area						
Replace the front desk with free-standing check-in pods or approved alternate open concept. <i>Required by May 3, 2021</i>						
E. Great Room						
Modify existing ceiling by providing applied or suspended wood ceiling accent features. <i>Required by May 3, 2021</i>						
Replace light fixtures to coordinate with new ceiling features <i>Required by May 3, 2021</i>						
F. Lobby						
Provide integrated recessed lighting within headers and floating ceiling panels <i>Required by May 3, 2021</i>						
Remove the fireplace and millwork surround. Replace with TV feature wall or approved alternate design <i>Required by May 3, 2021</i>						
Remove the PTAC and provide concealed HVAC <i>Required by May 3, 2021</i>						
G. Meeting Room						
No scope required						
H. Market						
Replace existing equipment. Provide one full-size commercial grade refrigerator and one half-size commercial grade freezer with glass doors						
I. Public Restrooms - Multi						
Replace tile flooring	sq ft	150	\$ 20.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
If	sq ft	300	\$ 2.50	\$ 750.00	\$ 750.00	\$ 750.00
Replace tile wainscot at plumbing walls; 48" minimum	sq ft	1200	\$ 7.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00
Replace wall finish	ea	2	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Replace vanities	ea					

Replace toilet partitions		\$ -	ea	2	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
II. Total		\$ 184,990.00						\$ 184,990.00
III. Recreational Areas								
A. Fitness Center								
No scope required								
B. Pool Area Restrooms								
Replace towel storage and hamper	ea	1	\$ 300.00	\$ 300.00	sq ft	\$ 300	\$ 1200	\$ 3,600.00
Replace tile flooring					ly	240	\$ 250	\$ 600.00
Replace existing base with required tile base					sq ft	50	\$ 1200	\$ 600.00
Replace tile wainscot. Tile only required at plumbing walls					sq ft	400	\$ 0.70	\$ 280.00
Replace wall finish					ea	1	\$ 2,000.00	\$ 2,000.00
Replace vanity lighting					ea	1	\$ 750.00	\$ 750.00
Replace vanities					ea	1	\$ 500.00	\$ 500.00
Replace vanity front					ea	1	\$ 200.00	\$ 200.00
Replace rusted shower curtain rod with new					ea	1	\$ 500.00	\$ 500.00
Replace toilet partitions					ea	1	\$ 3,000.00	\$ 3,000.00
Existing shower in pool locker rooms is not ADA compliant. Replace with ADA compliant roll-in shower or remove entirely					ea			
C. Pool Area: Indoor					R&M			
Repair and clean threshold from corridor to pool or replace with new								
III. Total		\$ 300.00						\$ 12,930.00
IV. Heart of House Areas								
A. Employee Breakdown								
No scope required								
B. Employee Restroom								
No scope required								
C. Front Office/Admin Areas								
No scope required								
D. Housekeeping/Laundry								
No scope required								
E. Pantry								
Replace wall finish with a washable wall finish					R&M			
IV. Total		\$ -						\$ -
V. Guest Room Areas								
A. Elevator Lobbies								
No scope required								
B. Guest Laundry								
No scope required								
C. Stairwells								
No scope required								
D. Vending								
No scope required								
E. Elevators								
Replace wall panels					ea	1	\$ 10,000.00	\$ 10,000.00
Replace ceiling with solid ceiling panels					ea	1	\$ 10,000.00	\$ 10,000.00
F. Corridors								
Remove popcorn ceilings and provide smooth or light texture finish. Modify ceiling planes to include changes in height and/or materials to visually interrupt long corridors					sq ft	1000	\$ 7.50	\$ 7,500.00
Replace main wall finish. Install full-height, color-matched corner guards. Accent wall vinyl inside door drops and across from elevators is new and can remain					sq ft	1800	\$ 8.50	\$ 15,300.00
Remove chair rail					If	250	\$ 9.00	\$ 2,250.00
G. Guest Rooms								
Provide a 42" flat panel TV on the new TV column. Mounts must tilt and pivot	ea	133	\$ 400.00	\$ 52,200.00				\$ 53,200.00
Modify closet area to provide a Refreshment Zone. Provide built-in counter and shelving along with a coffeemaker, refrigerator and microwave Required by May 3, 2021					ea	133	\$ 200.00	\$ 26,600.00
Provide Smart Shelf in the entry vestibule Required by May 3, 2021					ea	133	\$ 150.00	\$ 19,500.00
Provide wing wall between entry vestibule and sleeping area to accommodate the Smart Shelf and casegoods Required by May 3, 2021					ea	133	\$ 175.00	\$ 23,275.00
H. Guest Suites								
Replace plastic laminate countertops with solid surface					ea	2	\$ 250.00	\$ 500.00
I. Guest Bathrooms								
Refinish tubs					ea	133	\$ 100.00	\$ 13,300.00
Provide Kohler Stay Smart showerhead					ea	133	\$ 125.00	\$ 16,625.00
Replace all flooring. Required by May 3, 2021					ea	133	\$ 750.00	\$ 99,750.00

Replace all vanities, sinks and faucets. Provide a millwork base with a white quartz stone top, under-mount sink and faucets with lever-style hardware **Required by May**

3.

2021

V. Total

\$ 46,550.00

Replace all vanities, sinks and faucets. Provide a millwork base with a white quartz stone top, under-mount sink and faucets with lever-style hardware Required by May	\$ -	ea	133	\$ 350.00	\$ 46,550.00
V. Total					

VI. Life Safety

A. Exterior Areas

No deficiencies noted

B. Public Areas

No scope required

C. Recreational Areas

No scope required

D. Heart of House Areas

No scope required

E. Guest Room Areas

No scope required

Guest Bathrooms: Replace GFCI outlet with a guide light

V. Total

\$ 53,200.00

\$ 53,200.00

VII. Soft Costs

1. Tax

3. Purchasing

4. Design

7. ADA

8. Project Management

VIII. Soft Cost Total

\$ 60,000.00

\$ 60,000.00

Total Project

\$ 53,200.00

\$ 53,200.00

2017 COSTS

2017 SOFT COSTS

TOTAL 2017

\$ 160,995.00

\$ 10,000.00

\$ 170,995.00

2021 COSTS

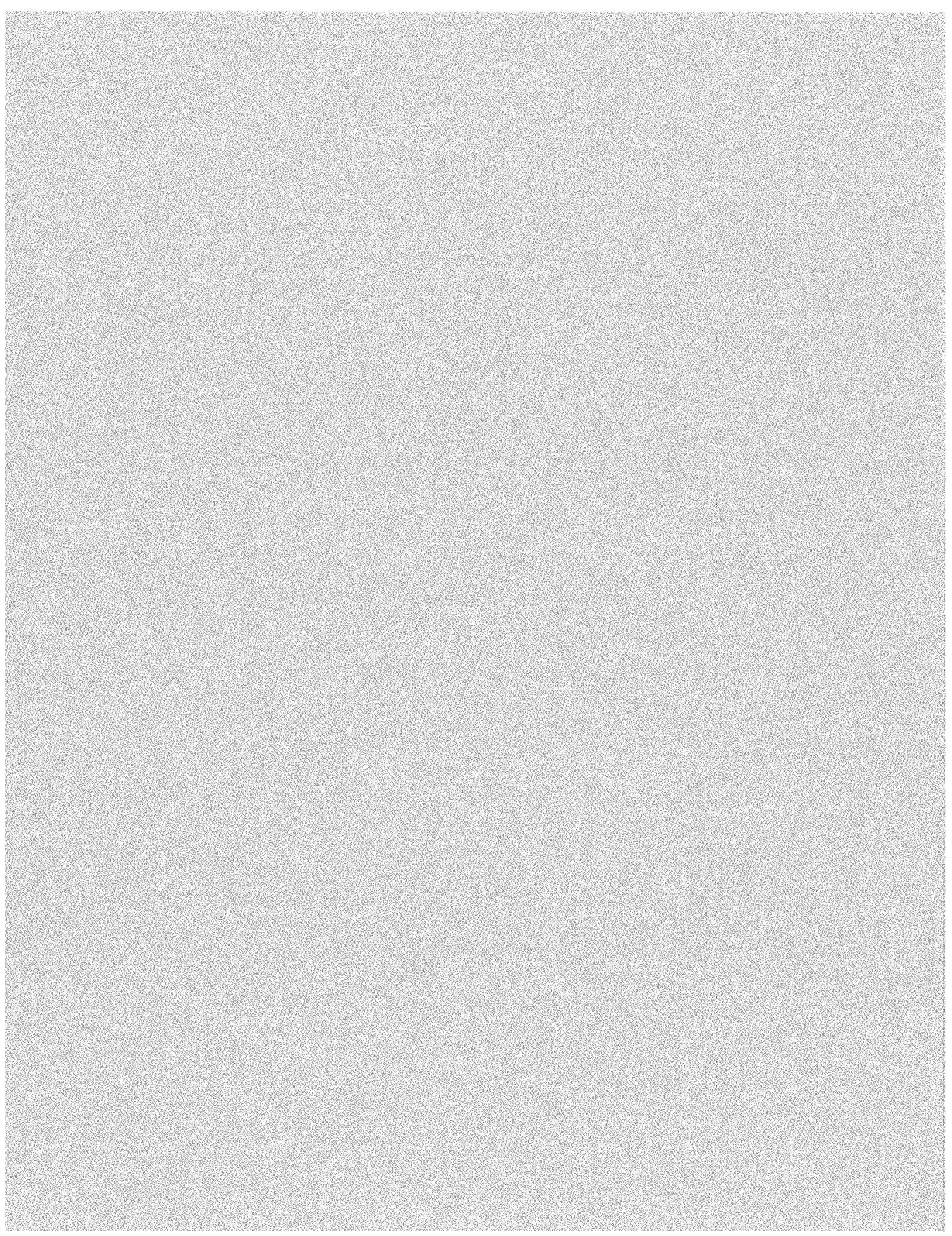
2021 SOFT COSTS

TOTAL 2021

\$ 381,125.00

\$ 50,000.00

\$ 431,125.00



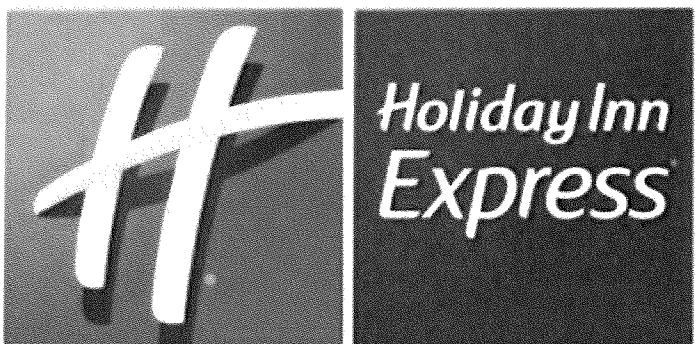
Attachment "B"

Property Improvement Plan

Proposed Change of Ownership of the

Holiday Inn Express: Hauppauge-Long Island
Hauppauge, NY

Date of Issue: May 17, 2016



*IHG® Rewards Club not applicable to Kimpton® Hotels & Restaurants; to be included at a future date

HOTEL INFORMATION

Property Name: Holiday Inn Express : Hauppauge-Long Island		PIP Date: 4/26/16
Address: 2050 Express Drive South		Location #: 5863
City, ST: Hauppauge, NY11788		Project #: 31242
Applicant Name: Mr. Paul Nussbaum	Office: 561-997-0334	InnCode: HPGNY
Company: Waramaug	Cell:	Proposed Action: Change of Ownership
Address: 2500 N. Military Trail Suite 275	Email:	Proposed Brand: HIEX
City, ST: Boca Raton, FL 33431		Proposed Term: 12

Property Summary

Hotel Description: This is a 7-story Express built in 1999 and recently underwent a major renovation. The hotel is located off the Long Island Expressway and is convenient to area corporate offices, adjacent industrial park, shopping, recreation, and restaurants. New York City is less than one hour away. Market competition includes the Clarion Hotel & Conference Center, Upsky Long Island Hotel, Hampton Inn, Courtyard, Hilton Garden Inn, and La Quinta Inn & Suites.

Recently completed renovations: Hotel went through major renovation in 2015 including new casegoods, mattresses, carpet, lighting, vinyl wallcovering and window treatments in guestrooms, new corridor carpet and corridor accent vinyl wallcovering, and new carpet, vinyl wallcovering in public areas, including new Great Room seating and breakfast buffet.

BUILDING	GUEST ROOM AREAS	Type	Qty.
Year Built: 2001 # of Rooms: 133 Addition: # of Rooms:	Standard King	39	
Highest Story: 7	1 KING BED NONSMOKING	0	
Exterior Materials: Stucco	1 KING BED WITH SOFA BED NONSMOKING	0	
Guest Corridor Type: Interior	KING HEAR MOBILITY ACCESSIBLE TUB NOSMK	0	
# of Parking Spaces: 148 Type: Surface	ADA Single	7	
# of Guest Elevators: 2 # of Service Elevators: 0	Standard Double Queen	84	
Internet: Wireless Public Areas	ADA Double	1	
Wireless Guest Rooms	2 Bedroom Suite	1	
HVAC: Split-System Public Areas	Studio Suite	1	
PTAC Guest Rooms			
Employee Restroom: <input checked="" type="checkbox"/>			
Employee Breakroom: <input checked="" type="checkbox"/>			
	Total Rooms:	133	

LIFE SAFETY	GREATROOM	Seats
Emergency Generator: <input checked="" type="checkbox"/>	Breakfast Area:	48
Hardwire Smoke Detectors: <input checked="" type="checkbox"/>	Commercial Areas	
	Guest Corridors	
	Guest Rooms	
Sprinkler System: <input checked="" type="checkbox"/>	Commercial Areas	
	Guest Corridors	
	Guest Rooms	

GUEST AMENITIES		MEETING SPACE	Name	SF
<i>Indoor Pool:</i>	<input checked="" type="checkbox"/>	<i>Max Depth (ft.):</i> 6'	Islip Room	775
<i>Outdoor Pool:</i>	<input type="checkbox"/>	<i>Max Depth (ft.):</i>	Suffolk Room	625
<i>Whirlpool:</i>	<input type="checkbox"/>	<i>Max Depth (ft.):</i>		
<i>Fitness Room:</i>	<input checked="" type="checkbox"/>	<i>Square Ft:</i> 792		
<i>Business Center:</i>	<input checked="" type="checkbox"/>		<i>Total Meeting Space (SF):</i>	1400
<i>Sets of Public Restrooms:</i>	2	<i>Unisex:</i> 0		
<i>Guest Laundry:</i>	<input checked="" type="checkbox"/>			
<i># of Vending Areas:</i>	7			
<i>Other Amenities:</i>				

IHG Contacts				
PIP Consultant:	<i>Dana Ricci</i> Regional Manager, Property Improvements		Phone: Email:	(401) 636-4760 dana.ricci@hg.com
Plan Review Consultant:	<i>Erik Poole, AIA / LEED AP</i> Regional Manager, Plan Review		Phone: Email:	(770) 604-2566 erik.poole@hg.com

UNDERSTANDING THE PIP & RESOURCES

All architectural and design drawings, construction documents, color boards and materials specifications for all renovation scope must be submitted to IHG's Architecture & Design Studio for review and approval prior to making any commitment to purchase materials or commencing any work. IHG reserves the right to require the owner to replace or modify any materials or work not formally submitted to and approved by IHG Architecture & Design Studio.

All work for this restoration is to be performed in accordance with the Holiday Inn Express Brand Standards, and all FF&E is required to meet Holiday Inn Express Brand Standards.

Resources:

Please refer to the IHG Architecture & Design Studio website
www.ihgdesignconnect.com

(2016 passcode: IHG2016)

for various resources required for the successful implementation of your PIP.

Questions regarding this PIP and other design and construction issues can be answered by contacting the IHG PIP or Plan Review Manager.

The findings in this report will not be effective six months after the date of this report unless a license agreement is executed within that time, unless extended in writing by IHG.

MILESTONE COMPLETION SCHEDULE

If the license agreement is executed, the following are the milestones for completion of the PIP.

Design Milestones:

Submission of Plans March 1, 2017

Submission of Furniture, Fixtures & Equipment March 1, 2017

Renovation Milestones:

Renovation Start Date..... April 1, 2017

Exterior Areas..... December 1, 2017

Public Areas December 1, 2017

Recreational Areas December 1, 2017

Heart of House Areas December 1, 2017

Guest Room Areas June 1, 2017

Completion December 1, 2017

* The above upcoming milestone is to accelerate new design. All other milestones are in compliance with the capital expenditure cycle within the FDD of a new license.

All requests for extensions or waivers must be submitted in writing to IHG, addressed to the appropriate PIP consultant and must be specifically approved in writing by IHG. As a condition to approving a milestone extension, IHG may require that the PIP be modified to include upgrading or renovation of additional areas or items (in addition to any charges that might be due).

IHG will conduct field-inspections at this hotel on or about the above Renovation Milestone dates at no charge to the owner. Should these original milestone dates not be met, thereby requiring additional inspections, IHG may charge the owner up to \$5,000.00 for each additional inspection (in addition to any other charges that might otherwise be due).

Formula Blue

Formula Blue is the basis for all requirements noted throughout this report. This includes finishes, FF&E and decor as well as reconfiguration of public and guest areas to accommodate the key components of Formula Blue such as the check-in pods and adjacent market, lobby and great room ceiling features, enclosed breakfast serving area and the guest room entrance vestibule. Please refer to the Formula Blue Renovation Design Guide to learn more about opportunities to customize Formula Blue at your hotel.

I.) EXTERIOR AREAS

A. Building

1. No scope required

B. Landscaping

1. No scope required

C. Porte Cochere

1. No scope required

D. Signage

1. No scope required

E. Site

1. No scope required

II.) PUBLIC AREAS

A. Breakfast Bar

1. Relocate the coffee bar and chalkboard feature outside of the breakfast bar enclosure. Minimum size 30in D x 34in H x 6ft L. **Required by May 3, 2021**
2. Provide enclosed breakfast bar space with garage, barn, or pocket doors to separate serving area from seating area. **Required by May 3, 2021**
3. Replace all breakfast buffet cabinetry and countertops. Minimum size: 30in D x 34in H x 22ft L (29ft L for hotels with more than 125 rooms). Install Express Start breakfast components. **Required by May 3, 2021**
4. Replace existing trash containers with new trash console(s) outside the breakfast bar enclosure. **Required by May 3, 2021**

B. Business Center

1. No scope required

C. Entrance Vestibule

1. No scope required

D. Front Desk Area

1. Replace the front desk with free-standing check-in pods or approved alternate open concept. **Required by May 3, 2021**

E. Great Room

1. Modify existing ceiling by providing applied or suspended wood ceiling accent features. **Required by May 3, 2021**
2. Replace light fixtures to coordinate with new ceiling features. **Required by May 3, 2021**
3. Provide integrated recessed lighting within the headers and floating ceiling panels. **Required by May 3, 2021**
4. Remove fireplace and millwork surround. Replace with a television feature wall or approved alternate design. **Required by May 3, 2021**
5. Remove the PTAC, and provide concealed HVAC. **Required by May 3, 2021**

F. Lobby

1. Replace tile flooring. **Required by May 3, 2021**
2. Provide the brand specified lobby wall graphic near the elevator lobby. Also, providing the digital information board and bench is recommended. **Required by May 3, 2021**
3. Modify existing ceiling by providing applied or suspended wood ceiling accent features. **Required by May 3, 2021**
4. Provide integrated recessed lighting within the headers and floating ceiling panels. **Required by May 3, 2021**
5. Replace light fixtures to coordinate with new ceiling features. **Required by May 3, 2021**

G. Meeting Room

1. No scope required

H. Market

1. Replace existing equipment. Provide one full size commercial grade refrigerator and one half-size commercial grade freezer with glass doors.

I. Public Restrooms - Multi

1. Replace tile flooring.
2. Replace existing base with the required wall base.
3. Replace tile wainscot at plumbing walls, 48in high minimum.
4. Replace wall finish.
5. Replace vanities.
6. Replace toilet partitions.

III.) RECREATIONAL AREAS

A. Fitness Center

1. No scope required.

B. Pool Area Restrooms

1. Replace towel storage and hamper.
2. Replace tile flooring.
3. Replace existing base with the required wall base.
4. Replace tile wainscot. Tile only required at plumbing walls.
5. Replace wall finish.
6. Replace vanity lighting.
7. Replace vanities.
8. Replace vanity front.
9. Replace rusted shower curtain rod with new.
10. Replace toilet partitions.
11. Existing shower in pool locker rooms is not ADA compliant. Replace with ADA compliant roll-in shower or remove entirely.

C. Pool Area: Indoor

1. Repair and clean threshold from corridor to pool or replace with new.

IV.) HEART OF HOUSE AREAS

A. Employee Breakroom

1. No scope required

B. Employee Restroom

1. No scope required

C. Front Office / Admin Areas

1. No scope required

D. Housekeeping/Laundry

1. No scope required

E. Pantry

1. Replace wall finish with a washable wall finish.

V.) GUEST ROOM AREAS

A. Elevator Lobbies

1. No scope required

B. Guest Laundry

1. No scope required

C. Stairwells

1. No scope required

D. Vending

1. No scope required.

E. Elevators

1. Replace wall panels.
2. Replace existing ceiling with solid ceiling panels.

F. Corridors

1. Remove popcorn ceilings, and provide smooth or light texture finish. Modify ceiling planes to include changes in height and/or materials to visually interrupt long corridors.
2. Replace main wall finish. Install full-height, color-matched corner guards. Accent wall vinyl inside door drops and across from elevators is new and can remain.
3. Remove chair rail.

G. Guest Rooms

1. Provide a 42in flat panel television on the new television column. Mounts must tilt and pivot. (Hotels with 32in to 40in units: Provide 42in units upon replacement of existing televisions.)
2. Modify the closet area to provide a Refreshment Zone. Provide built-in counter and shelving along with a coffee maker, refrigerator and microwave. **Required by May 3, 2021**
3. Provide a Smart Shelf in the entry vestibule. **Required by May 3, 2021**
4. Provide wing wall between the entry vestibule and sleeping area to accommodate the Smart Shelf and casegoods. **Required by May 3, 2021**

H. Guest Suites

1. Replace plastic laminate countertops with solid surface.

I. Guest Bathrooms

1. Refinish tubs.
2. Provide Kohler Stay Smart™ showerhead.
3. Replace all flooring. **Required by May 3, 2021**
4. Replace all vanities, sinks and faucets. Provide a millwork base with a white quartz stone top, under-mount sink and faucets with lever style hardware. **Required by May 3, 2021**

VI.) LIFE SAFETY & ACCESSIBILITY

Life Safety

Some Life Safety deficiencies were noted during the PIP Inspection. Other deficiencies may exist as only a limited property evaluation was conducted in conjunction with this PIP. Full compliance with IHG's Global Brand Safety Standards in addition to local, state and national codes is the sole responsibility of the owner. An evaluation by a licensed engineer or architect is strongly recommended.

Exterior Areas:

1. No deficiencies noted.

Public Areas:

1. No deficiencies noted.

Recreational Areas:

1. No deficiencies noted.

Heart of House Areas:

1. No deficiencies noted.

Guest Room Areas:

1. Guest Bathrooms: Replace GFCI outlet with a GFCI outlet with a guide light.

B. ADA (Americans With Disabilities Act)

U.S. Hotels:

All areas of the hotel property are required to be in compliance with Local, State and Federal disability regulations, including the ADA. Licensee is solely responsible for ensuring that the hotel complies with all applicable accessibility standards including the ADA. The ADA requirements and design standards can be found at www.ada.gov, or you can contact (800) 514-0301 with questions concerning ADA requirements. Consult your architect about changes to the ADA Accessibility Guidelines which went into effect on March 15th, 2012. *IHG requires that each hotel submit a complete ADA certificate to ensure that the hotel conforms to and complies with the design standards and requirements of the ADA, the ADA Architectural Guidelines ("ADAAG"), and all other related or similar state and local laws, regulations, and other requirements governing public accommodations for persons with disabilities in effect.*

The commissioning of an ADA/accessibility Property Report by a professional specializing in ADA and accessibility compliance is strongly recommended to ensure full compliance with all accessibility laws.

Questions? Visit the U.S. Dept. of Justice web site: <http://www.usdoj.gov/crt/ada> or call: (800) 514-0301

Some ADA/accessibility deficiencies have been noted on the PIP. Note, however, that the PIP does not contain an exhaustive list of all possible ADA/accessibility deficiencies. Other possible deficiencies may exist as only a limited property evaluation was conducted in conjunction with the PIP. All ADA/accessibility deficiencies must be corrected in conjunction with the other requirements outlined in this PIP for each area of the hotel and be completed by the Milestone Dates. Note that ADA/accessibility deficiencies may also be listed in the sub-areas of this PIP:

Exterior Areas:

1. No deficiencies noted.

Public Areas:

1. No deficiencies noted.

Recreational Areas:

1. No deficiencies noted.

Heart of House Areas:

1. No deficiencies noted.

Guest Room Areas:

1. No deficiencies noted.

ACKNOWLEDGEMENT PAGE

Proposed Change of Ownership of the Holiday Inn Express: Hauppauge-Long Island Hauppauge, NY

Location #5863 - Project #31242
May 17, 2016, Revised October 11, 2016

I understand that the above captioned Property Improvement Plan ("PIP") does not obligate Holiday Hospitality Franchising, LLC ("HHFL" also referred to as "IHG") in any way to approve my franchise application or issue a license agreement and that HHFL expressly reserves the right to deny such application or deny offering a franchise. I further acknowledge that this report is a summary of the work that will be required, and that all work must be completed in conformity with all applicable Holiday Inn Express Brand Standards. I understand that if the franchise application is approved and a license agreement is executed, as a licensee I will be responsible for compliance with all local, state and federal laws, regulations and codes. The attached work outlined in this PIP does not address all requirements that may be mandated by local, state or federal codes, laws or regulations. As a Licensee, I should check and ensure that all work on the property pursuant to this PIP or in connection with any other alteration or improvements complies with the applicable local, state and federal laws, regulations and codes.

I further acknowledge and agree that the PIP completion timetable and the dates specified in the license agreement, if any, have been mutually agreed upon, and I understand that all work must be satisfactorily completed by each milestone. All requests for waivers or variance of or from the Standards or the requirements of the PIP must be submitted in writing to HHFL and must be approved in writing by HHFL, and requests for extensions to any milestone or deadline must be requested in writing from HHFL in advance of the completion date and must be approved in writing by HHFL. I understand and agree that as a condition to approving a milestone or deadline extension, HHFL may require that the PIP be modified to include upgrading or renovation of additional areas or items (in addition to any charges that might be due). I have indicated my agreement to this PIP, including, without limitation, the terms set forth on this page by affixing my signature in the space below.

I further understand that if a license agreement is executed and if IHG allows the PIP work to be conducted while the hotel is being operated as a duly licensed Holiday Inn Express brand hotel, the hotel must be operated in conformity with Holiday Inn Express Brand Standards, and that it will continue to be subject to quality evaluations and guest feedback measurements. The hotel will be required to maintain acceptable ratings or scores in product quality, services and guest expectations as measured by HHFL through the HeartBeat System or otherwise and must maintain an acceptable quality evaluation. Failure to do so may be grounds for default under the license agreement.

The findings in this report are no longer effective six months after the date of this report unless a license agreement is executed within that time, unless extended in writing by HHFL.

ACCEPTED BY:

Signature

Date

Print Name

Entity

Hotel Name

SCHEDULE X

ROAD WORK

(ATTACHED)



Barrett
Bonacci &
Van Weele, PC

Civil Engineers
Surveyors
Planners

175A Commerce Dr.
Hauppauge, NY
11788
T 631 435-1111
F 631 435-1022

www.bbvpccom

Central Ave. Road Improvement

BBV Project No. A980220D

Preliminary Cost Estimate

Date: 10/11/2016

Item	Quantity	Unit	Unit Cost	Total Cost
Clearing/ Grubbing	0.1	ACRE	\$6,900.00	\$690.00
Sawcut / 6" Asphalt Removal	280	LF	\$2.58	\$722.40
Excavation/ Haul	100	CY	\$16.75	\$1,675.00
Installation of Drywell	1	EA.	\$11,325.00	\$11,325.00
Tack Coat	1,800	SY	\$1.50	\$2,700.00
Asphalt Pavement	1,550	SY	\$8.20	\$12,710.00
6" Sub Base	250	SY	\$6.55	\$1,637.50
3" Binder Type 3	250	SY	\$14.30	\$3,575.00
1-1/2" Type 6F	250	SY	\$8.20	\$2,050.00
Concrete Sidewalk/Ramp	2	EA	\$800.00	\$1,600.00
Concrete Curb	245	LF	\$5.95	\$1,457.75
Seeding	0.1	ACRE	\$860.00	\$86.00
Lighting Allowance	4	EA.	\$2,200.00	\$8,800
Erosion Control	1	LS	\$1,000.00	\$1,000.00
			Total Cost:	\$49,028.65
			15% Location Factor/Contingency	\$7,354.30
			Total Cost:	\$56,382.95

Note: Unit costs from "RSMeans Site Work & Landscpaee Cost Data", 2015

EXHIBIT A

FORM OF SMITH TRAVEL RESEARCH REPORT

Monthly STAR Report : Holiday Inn Express Hauppauge Long Island

For the Month of: September 2016

Currency: US Dollar / Competitive Set Data Excludes Subject Property

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Tab 2 - Monthly Performance at a Glance - My Property vs. Competitive Set

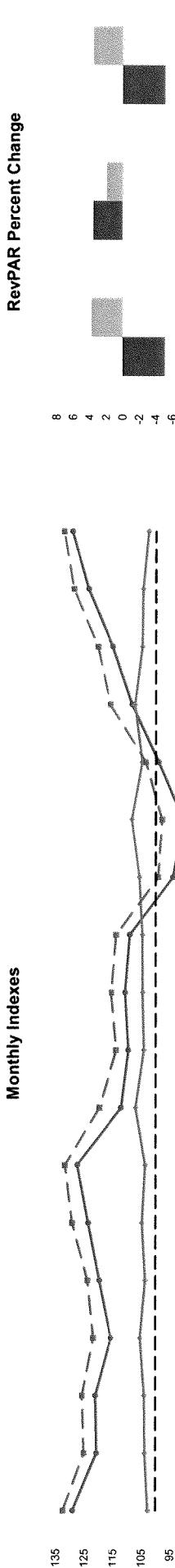
Holiday Inn Express Hauppauge Long Island 2050 Express Dr S Hauppauge, NY 11788-5300 Phone: (631) 348-1400
 STR # 41994 ChainID: 5863 MgtCo: Sage Hospitality Owner: None
 For the Month of: September 2016 Date Created: October 18, 2016 Monthly Competitive Set Data Excludes Subject Property

September 2016						
Occupancy (%)			ADR		RevPAR	
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)
Current Month	86.9	67.3	129.1	137.85	134.62	102.4
Year To Date	68.8	63.1	109.2	138.57	131.39	105.5
Running 3 Month	87.5	71.6	122.2	146.40	141.21	103.7
Running 12 Month	68.6	61.8	111.0	135.71	128.90	105.3
September 2016 vs. 2015 Percent Change (%)						
Occupancy			ADR		RevPAR	
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)
Current Month	0.4	-3.9	4.5	0.9	3.1	-2.2
Year To Date	-10.1	0.4	-10.4	5.5	3.4	2.0
Running 3 Month	-0.3	-2.5	2.3	3.8	4.6	-0.7
Running 12 Month	-9.9	0.2	-10.0	5.3	3.4	1.8

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Tab 4 - Competitive Set Report

Lakefront Holiday Inn Express Hauppauge Long Island
ChainID: # 41994 ChainTR #: 3863
Address: 2050 Express Dr S.
City: Hauppauge State: NY Zip: 11788-5500
Phone: (631) 348-1400



Monthly Indexes

Running 12 Month												
Running 3 Month												
Occupancy (%)	2016			2015			2014			2013		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
% Chg												
My Property	75.5	78.0	88.9	86.9	80.5	86.6	82.7	63.8	56.9	49.2	51.4	57.3
Competitive Set	64.6	73.5	75.1	74.8	70.1	64.9	57.0	52.0	44.5	49.3	54.8	63.5
Index (MPI)	128.1	121.1	115.7	119.6	123.5	127.3	112.0	108.4	110.6	102.0	93.6	90.3
Rank	4 of 8	5 of 8	5 of 8	4 of 8	6 of 8	4 of 8						
Running 12 Month												
Running 3 Month												
Occupancy (%)	2016			2015			2014			2013		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
% Chg												
My Property	-6.4	-3.6	2.4	-4.7	-1.4	6.7	-6.1	+13.1	-9.1	-3.2	+13.6	-26.3
Competitive Set	-7.9	-7.0	1.0	-4.4	-1.7	6.2	-1.5	-0.4	0.9	-0.8	-0.4	-1.5
Index (MPI)	1.6	4.5	1.4	-0.3	0.2	0.4	-4.7	-12.8	-10.0	-2.4	-13.2	-27.9
Rank	6 of 8	5 of 8	3 of 8	4 of 8	3 of 8	4 of 8	4 of 8	4 of 8	4 of 8	7 of 8	6 of 8	3 of 8
Running 12 Month												
Running 3 Month												
Occupancy (%)	2016			2015			2014			2013		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
% Chg												
My Property	122.97	131.90	136.31	145.49	140.73	136.67	135.06	126.03	116.64	115.98	119.51	123.98
Competitive Set	119.76	127.26	134.07	138.04	135.96	130.56	130.44	117.86	112.13	110.97	114.34	117.12
Index (ARI)	102.7	103.7	103.9	105.4	103.5	104.7	104.0	104.0	104.4	104.5	105.6	108.3
Rank	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	5 of 8	4 of 8					
Running 12 Month												
Running 3 Month												
Occupancy (%)	2016			2015			2014			2013		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
% Chg												
My Property	2.7	2.9	5.7	7.5	3.0	3.5	5.0	5.8	2.2	3.6	1.7	9.1
Competitive Set	4.4	5.8	4.5	5.8	4.7	4.2	3.6	3.4	-0.9	1.3	0.0	3.5
Index (ARI)	-1.6	-2.7	1.2	1.6	-1.6	-0.6	1.4	2.3	-0.6	4.5	0.4	3.6
Rank	4 of 8	6 of 8	5 of 8	2 of 8	6 of 8	5 of 8	2 of 8	4 of 8	2 of 8	1 of 8	5 of 8	2 of 8
Running 12 Month												
Running 3 Month												
Occupancy (%)	2016			2015			2014			2013		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
% Chg												
My Property	92.86	102.92	123.88	128.43	126.02	118.31	111.63	80.45	66.42	57.00	64.23	63.63
Competitive Set	70.04	82.26	98.49	103.72	101.50	84.67	87.76	58.35	49.35	56.40	62.20	78.60
Index (RGI)	132.6	125.1	125.8	121.9	123.8	131.8	119.7	113.8	115.5	113.9	99.1	97.8
Rank	5 of 8	7 of 8	6 of 8	5 of 8								
Running 12 Month												
Running 3 Month												
Occupancy (%)	2016			2015			2014			2013		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
% Chg												
My Property	-3.8	-2.6	8.3	2.6	1.6	-1.4	-8.1	-7.2	0.2	-12.1	-23.5	-17.2
Competitive Set	-3.8	0.0	1.7	5.6	1.2	3.0	-0.7	-0.9	2.1	-12.3	-2.6	-0.9
Index (RGJ)	5 of 8	6 of 8	4 of 8	5 of 8	6 of 8	3 of 8	-10.5	-12.9	-25.1	-17.3	-1.3	-1.3
Rank	5 of 8	6 of 8	4 of 8	5 of 8	6 of 8	7 of 8	6 of 8	7 of 8	8 of 8	8 of 8	5 of 8	5 of 8

Tab 5 - Response Report

Holiday Inn Express Hauppauge Long Island 2050 Express Dr S Hauppauge, NY 11788-5300 Phone: (631) 348-1400
 STR # 41984 ChainID: 3863 MgtCo: Sage Hospitality Owner: None
 For the Month of: September 2016 Date Created: October 18, 2016

This Year

Sep 5th - Labor Day
 Sep 13th - Eid al-Adha

Sep 7th - Labor Day

Sep 14th - Rosh Hashanah
 Sep 23rd - Yom Kippur
 Sep 24th - Eid al-Adha

Last Year

Sep 5th - Labor Day
 Sep 13th - Eid al-Adha

Sep 7th - Labor Day

Sep 14th - Rosh Hashanah
 Sep 23rd - Yom Kippur
 Sep 24th - Eid al-Adha

September 2015 (Last Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

September 2016 (This Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	27	28

September 2015 (Last Year)						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	27	28

September 2016 (This Year)						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	27	28

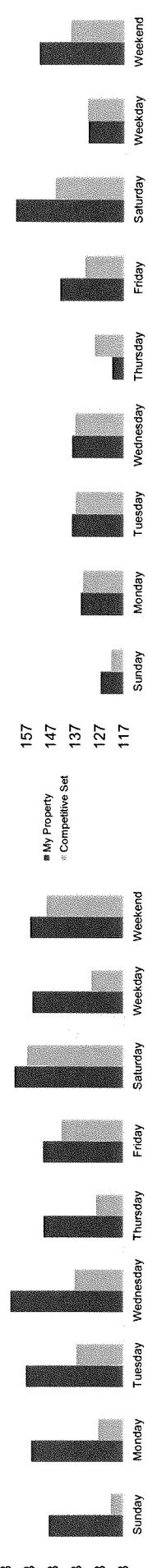
STR#	Name	City, State	Zip	Phone	Rooms	Open Date
41984	Holiday Inn Express Hauppauge Long Island	Hauppauge, NY	11788-5300	(631) 348-1400	133	200103
90	Clarion Hotel & Conference Center Ronkonkoma	Ronkonkoma, NY	11779-7643	(631) 585-8600	269	197406
1764	UPSKY Long Island Hotel	Smithtown, NY	11788-5131	(631) 231-1100	209	198006
16385	Hampton Inn Long Island Islandia	Islandia, NY	11749-1563	(631) 234-0400	120	198807
18378	Hampton Inn Long Island Commack	Commack, NY	11725-504	(631) 462-5700	143	198802
44095	Courtyard Long Island MacArthur Airport	Ronkonkoma, NY	11779-5551	(631) 612-5000	154	200205
49614	Hilton Garden Inn Islip MacArthur Airport	Ronkonkoma, NY	11779-7629	(631) 738-7800	165	200308
54051	La Quinta Inns & Suites Islip MacArthur Airport	Bohemian, NY	11716-2902	(631) 881-7700	132	200606
					1345	

Data received:

- = Monthly Only
- = Monthly & Daily

Tab 6 - Day of Week and Weekday/Weekend Report

Holiday Inn Express Hauppauge Long Island
STR # 41994 ChainID: 563 MgtCo: Sage Hospitality
For the Month of: September 2016 Date Created: October 18, 2016
2050 Express Dr S Hauppauge, NY 11788-5300 Phone: (631) 348-1400
Owner: None Monthly Competitive Set Data Excludes Subject Property



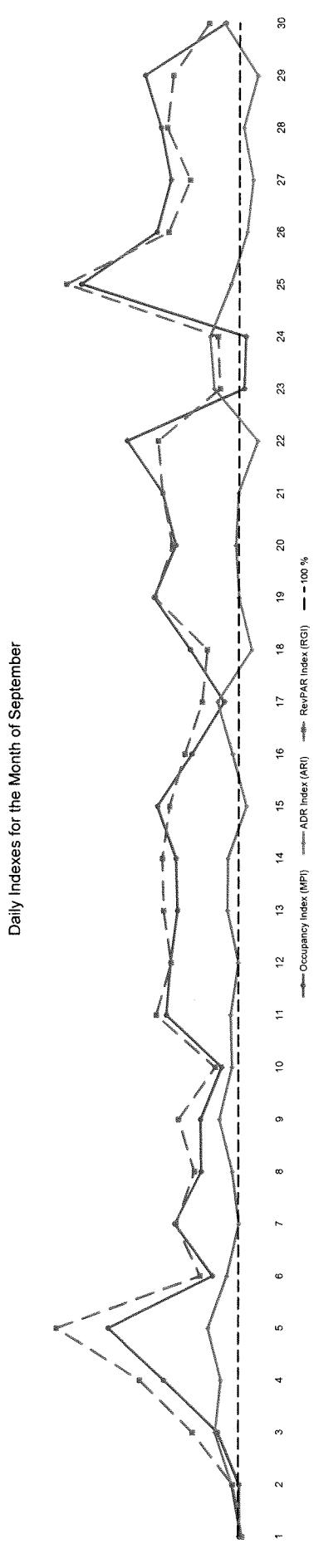
Current Month ADR

Current Month Occupancy

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Tab 7 - Daily Data for the Month

Holiday Inn Express Hauppauge Long Island 2050 Express Dr S Hauppauge, NY 11788-5300 Phone: (631) 348-1400
STR # 41984 ChainID: 5063 MotelCo: Sage Hospitality Owner: None
For the Month of September 2016 Date Created: October 18, 2016 Daily Competitive Set Data Excludes Subject Property



Tab 8 - Segmentation at a Glance - My Property vs. Competitive Set

Holiday Inn Express Hauppauge Long Island 2050 Express Dr S Hauppauge, NY 11788-5300 Phone: (631) 348-1400

STR # 41994 ChainID: 5863 MgtCo: Sage Hospitality Owner: None

For the Month of: September, 2016 Date Created: October 18, 2016 Monthly Competitive Set Data Excludes Subject Property

September 2016										Year To Date									
	Transient			Group			Contract			Total			% Chg						
	Occupancy (%)	% Chg	% Chg	My Property Comp set Index (MPI)	10.2	-8.7	My Property Comp set Index (MPI)	0.0	0.0	My Property Comp set Index (MPI)	86.9	0.4							
ADR	My Property Comp set Index (ARI)	136.90	0.2	My Property Comp set Index (ARI)	144.97	5.7	My Property Comp set Index (ARI)	0.0	0.0	My Property Comp set Index (ARI)	137.85	0.9							
RevPAR	My Property Comp set Index (RGI)	105.03	2.0	My Property Comp set Index (RGI)	14.79	-3.5	My Property Comp set Index (RGI)	0.0	0.0	My Property Comp set Index (RGI)	119.82	1.3							
											90.66	-0.9							
											132.2	2.2							

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Tab 9 - Segmentation Occupancy Analysis

Holiday Inn Express Hauppauge Long Island
2050 Express Dr. S
ChainID: 5863 MgtCo: Sage Hospitality Owner: None
STR # 419944 Date Created: October 18, 2016 Monthly Competitive Set Data Excludes Subject Property

Hauppauge, NY 11788-5300 Phone: (631) 348-1400
Market Class: Long Island Upscale & Upper Mid Classes

Occupancy (%)

Current Month	Transient			Group			Contract			Total			Market			Transient			Group			Contract			Total			
	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	
2015 Apr	67.3	60.9	8.2	11.1	0.0	1.1	75.5	55.5	73.1	-7.6	-5.3	4.8	22.9	0.0	0.0	-6.4	-7.9	-0.3	0.0	0.0	0.0	-3.8	-7.9	0.4	0.0	0.0	0.0	
May	68.6	63.1	9.3	13.0	0.0	1.3	78.0	64.6	77.4	-8.3	-0.4	50.4	-5.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Jun	74.5	66.0	14.4	16.3	0.0	1.3	88.9	73.5	83.6	-6.9	-0.7	110.2	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Jul	68.4	68.2	18.5	16.1	0.0	1.3	86.9	75.1	85.5	-15.1	3.9	74.5	-14.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Aug	76.3	73.7	13.2	12.0	0.0	1.3	89.5	74.8	87.1	-2.5	3.3	5.2	-19.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	75.4	67.0	11.2	14.1	0.0	1.4	86.6	70.1	82.5	2.7	3.7	44.3	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct	68.9	63.1	13.8	16.0	0.0	1.7	82.7	64.9	80.8	-6.6	3.6	-3.4	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nov	48.9	58.6	15.0	12.0	0.0	1.7	63.8	57.0	72.3	-27.0	-0.2	130.5	34.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dec	46.9	56.6	10.1	7.1	0.0	1.6	56.9	52.0	65.4	-20.6	2.2	178.5	12.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2016 Jan	43.9	49.0	5.3	7.2	0.0	1.8	49.2	44.5	57.9	-8.2	-3.8	75.2	36.4	0.0	0.0	121.7	-3.2	-0.9	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb	45.3	57.6	8.4	5.3	0.0	2.2	53.7	49.3	65.1	-20.5	0.0	62.9	0.8	0.0	0.0	80.2	-13.6	-0.4	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar	42.0	62.3	9.4	6.1	0.0	1.5	51.4	54.8	70.0	-32.6	4.6	25.1	-17.9	0.0	0.0	30.3	-26.3	2.1	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr	46.5	63.3	10.8	13.2	0.0	1.6	57.3	63.5	78.1	-30.9	4.0	31.3	19.1	0.0	0.0	42.1	-24.1	8.6	6.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May	58.7	65.5	9.9	12.0	0.0	1.7	68.6	69.4	79.3	-14.5	3.9	6.0	-7.7	0.0	0.0	35.3	-12.0	7.4	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	62.3	65.1	14.0	17.3	0.0	1.9	76.4	70.6	84.4	-16.3	-1.3	-2.8	6.4	0.0	0.0	45.0	-14.1	3.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul	63.7	68.2	20.8	16.0	0.0	1.5	84.5	73.5	85.7	-6.9	0.1	12.6	-0.5	0.0	0.0	14.9	-2.8	-2.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aug	76.4	71.2	14.6	15.4	0.0	1.7	91.0	73.7	88.2	0.1	-3.4	10.3	27.7	0.0	0.0	26.2	1.6	-1.5	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	76.7	63.9	10.2	16.2	0.0	1.8	86.9	67.3	81.8	1.8	-4.6	-8.7	14.2	0.0	0.0	28.4	0.4	-3.9	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Year To Date

2014	72.2	62.7	7.8	12.2	0.0	0.0	79.9	65.9	74.9	1.8	1.5	-6.5	-23.9	0.0	0.0	54.4	1.0	-6.6	-3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2015	66.4	63.2	10.1	11.3	0.0	1.2	76.6	62.8	75.8	-7.9	0.8	30.4	-7.0	0.0	0.0	25969.0	4.2	-4.6	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2016	57.3	63.2	11.5	12.3	0.0	1.7	68.8	63.1	77.2	-13.7	0.0	13.9	8.5	0.0	0.0	42.6	-10.1	0.4	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Running 3 Month

2014	77.5	67.2	10.3	16.0	0.0	0.0	87.8	73.6	83.2	-0.4	2.4	-4.7	-2.6	0.0	0.0	-100.0	-0.9	-0.7	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2015	73.4	69.6	14.3	14.1	0.0	1.3	87.7	73.4	85.1	-5.3	3.6	38.7	-12.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2016	72.2	67.8	15.3	15.8	0.0	1.7	87.5	71.6	85.3	-1.6	-2.6	6.4	12.5	0.0	0.0	23.3	-0.3	-2.5	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Running 12 Month

2014	70.9	61.5	7.4	12.0	0.0	0.0	78.3	64.7	73.6	-1.2	-1.9	-20.1	-26.4	0.0	0.0	-40.2	-3.4	-11.8	-7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2015	66.5	62.0	9.6	11.1	0.0	0.9	76.1	61.7	74.1	-6.2	0.8	29.9	-7.4	0.0	0.0	13527.4	-2.8	-4.6	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2016	56.7	62.3	11.9	12.2	0.0	1.7	68.6	61.8	76.2	-14.7	0.4	23.5	9.4	0.0	0.0	87.9	-3.9	0.2	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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Tab 10 - Segmentation ADR Analysis

Holiday Inn Express Hauppauge Long Island
STR # 41994 ChainID: 5663 MgtCo: Sage Hospitality Date Created: October 18, 2016 Monthly Competitive Set Data Excludes Subject Property
Phone: (631) 348-1400
Hauppauge, NY 11788-5300

Average Daily Rate

Current Month	Average Daily Rate						Total						Percent Change (%)						Market							
	Transient			Group			Contract			Market			Transient			Group			Market			Contract				
	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	
2015	Apr	123.97	135.96	114.79	138.53	0.00	147.01	122.97	119.76	136.52	2.5	-0.1	5.8	4.8	0.0	2.7	4.4	0.6	0.0	2.9	5.8	3.6	0.0	2.9	5.8	3.6
	May	129.76	148.02	148.42	150.44	0.00	136.98	131.99	127.26	148.25	1.4	3.7	12.6	4.3	0.0	0.0	0.0	0.0	5.7	4.5	3.8	0.0	5.7	4.5	3.8	
	Jun	137.91	156.48	146.54	152.69	0.00	140.25	139.31	134.07	155.49	6.0	3.5	-2.7	5.9	0.0	0.0	0.0	0.0	7.5	5.8	3.8	0.0	7.5	5.8	3.8	
	Jul	144.03	162.23	150.92	158.61	0.00	137.15	145.49	138.04	161.17	7.0	2.0	7.3	11.7	0.0	0.0	0.0	0.0	3.0	4.7	3.0	0.0	3.0	4.7	3.0	
	Aug	140.06	161.96	144.60	163.87	0.00	139.74	140.73	135.96	161.88	2.5	1.7	5.7	11.3	0.0	0.0	0.0	0.0	3.5	4.2	3.9	0.0	3.5	4.2	3.9	
	Sep	136.60	153.37	137.11	150.21	0.00	152.02	136.67	130.56	152.80	2.9	3.5	9.6	5.5	0.0	0.0	0.0	0.0	5.0	3.6	2.7	0.0	5.0	3.6	2.7	
	Oct	134.92	149.96	135.75	142.96	0.00	145.22	135.06	130.44	148.48	4.1	2.3	9.8	4.4	0.0	0.0	0.0	0.0	5.0	3.6	2.7	0.0	5.0	3.6	2.7	
2016	Nov	128.91	139.55	116.61	133.35	0.00	138.30	126.03	117.86	138.49	8.0	3.5	0.0	1.3	0.0	0.0	0.0	0.0	5.8	3.4	3.0	0.0	5.8	3.4	3.0	
	Dec	116.53	130.24	117.13	128.97	0.00	139.92	116.64	112.13	130.35	2.4	1.1	-2.5	-0.8	0.0	0.0	0.0	0.0	2.2	2.8	1.1	0.0	2.2	2.8	1.1	
	Jan	117.88	128.08	99.33	134.00	0.00	142.37	115.88	110.97	129.26	5.4	-0.1	-11.4	10.1	0.0	0.0	0.0	0.0	-5.3	3.6	-0.9	1.1	-5.3	3.6	-0.9	
	Feb	120.92	131.16	111.95	127.84	0.00	143.09	119.51	114.34	131.29	2.4	1.1	1.0	1.5	0.0	0.0	0.0	0.0	-5.7	1.7	1.1	1.1	-5.7	1.7	1.1	
	Mar	127.43	132.48	106.99	132.30	0.00	142.80	123.68	117.12	132.69	6.4	-2.4	-6.2	0.6	0.0	0.0	0.0	0.0	-4.0	3.8	0.0	-2.0	-4.0	3.8	0.0	
	Apr	136.34	141.61	124.93	135.70	0.00	142.10	134.18	123.89	140.62	10.0	4.2	8.8	-2.0	0.0	0.0	0.0	0.0	-3.3	9.1	3.5	3.0	-3.3	9.1	3.5	
	May	132.63	154.66	168.92	153.38	0.00	143.60	137.87	131.72	154.23	2.2	4.5	13.8	2.0	0.0	0.0	0.0	0.0	4.8	4.5	3.5	4.0	4.8	4.5	3.5	
2017	Jun	151.35	164.57	162.64	157.02	0.00	151.25	153.43	143.11	162.72	9.7	5.2	11.0	2.8	0.0	0.0	0.0	0.0	7.8	10.1	6.7	4.6	7.8	10.1	6.7	
	Jul	151.78	171.16	157.75	160.08	0.00	140.73	153.25	146.45	168.57	5.4	5.5	4.5	0.9	0.0	0.0	0.0	0.0	2.6	5.3	6.1	4.6	2.6	5.3	6.1	
	Aug	148.34	170.98	145.86	161.49	0.00	136.59	147.94	141.81	168.67	5.9	5.6	0.9	-1.4	0.0	0.0	0.0	0.0	-2.3	5.1	4.3	4.2	-2.3	5.1	4.3	4.2
	Sep	136.90	161.29	144.97	164.83	0.00	147.74	137.85	134.62	161.69	0.2	5.2	5.7	9.7	0.0	0.0	0.0	0.0	-2.8	0.9	3.1	5.8	-2.8	0.9	3.1	5.8

Year To Date

Running 3 Month	2014	134.71	155.75	135.27	143.74	0.00	0.00	134.77	128.74	153.43	73	5.8	7.1	0.3	0.0	100.0	7.2	2.8	1.8
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Tab 12 - Segmentation Index Analysis

Holiday Inn Express Hauppauge Long Island 2050 Express Dr S Hauppauge, NY 11788-5300 Phone: (631) 348-1400
 STR # 41994 ChainID: 5863 MgtCo: Sage Hospitality Owner: None

For the Month of: September 2016 Date Created: October 18, 2016 Monthly Competitive Set Data Excludes Subject Property

Current Month	Transient			Indexes			Group			Contract			Total		
	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR
2015 Apr							129.1	102.7	132.6				1.6	-1.6	0.0
May							120.6	103.7	125.1				4.5	-2.7	1.7
Jun							121.1	103.9	125.8				1.4	1.2	2.6
Jul							115.7	105.4	121.9				-0.3	1.6	1.3
Aug							119.6	103.5	123.8				0.2	-1.6	-1.4
Sep							123.5	104.7	129.3				0.4	-0.6	-0.2
Oct							127.3	103.5	131.8				-4.7	1.4	-3.3
Nov							112.0	106.9	119.7				-12.8	2.3	-10.8
Dec							109.4	104.0	113.8				-10.0	-0.6	-10.5
2016 Jan							110.6	104.4	115.5				-2.4	4.5	2.1
Feb							109.0	104.5	113.9				-13.2	0.4	-12.9
Mar							93.8	105.6	99.1				-27.9	3.8	-25.1
Apr							90.3	108.3	97.8				-30.1	5.5	-26.3
May							98.9	104.7	103.5				-18.0	0.9	-17.3
Jun							108.2	107.2	116.0				-10.6	3.2	-7.8
Jul							115.0	104.6	120.3				-0.6	-0.7	-1.3
Aug							123.4	104.3	128.7				3.1	0.8	3.9
Sep							129.1	102.4	132.2				4.5	-2.2	2.2

Year To Date	Transient			Indexes			Group			Contract			Total		
	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR
2014							121.3	104.1	126.3				8.1	4.0	12.3
2015							121.8	103.4	126.0				0.4	-0.7	-0.3
2016							109.2	105.5	115.1				-10.4	2.0	-8.6

Running 3 Month	Transient			Indexes			Group			Contract			Total		
	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR
2014							119.2	104.7	124.8				-0.2	4.4	4.1
2015							119.5	104.5	124.8				0.2	-0.2	0.0
2016							122.2	103.7	126.7				2.3	-0.7	1.5

Running 12 Month	Transient			Indexes			Group			Contract			Total		
	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR
2014							121.0	103.8	125.5				9.5	4.2	14.1
2015							123.4	103.4	127.6				2.0	-0.3	1.6
2016							111.0	105.3	116.9				-10.0	1.8	-8.4

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Tab 13 - Segmentation Ranking Analysis

Holiday Inn Express Hauppauge Long Island
2050 Express Dr S Hauppauge, NY 11788-5300 Phone: (631) 348-1400
STR # 41994 ChainID: 5863 MgtCo: Sage Hospitality Owner: None

For the Month of: September 2016 Date Created: October 18, 2016 Monthly Competitive Set Data Excludes Subject Property

Current Month	Transient			Ranking Group			Contract			Total		
	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR
2015 Apr	6 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	4 of 8	5 of 8	5 of 8	6 of 8	4 of 8	5 of 8
May	5 of 8	4 of 8	5 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	5 of 8	6 of 8	6 of 8	6 of 8
Jun	4 of 8	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	3 of 8	5 of 8	3 of 8
Jul	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	4 of 8	2 of 8	4 of 8
Aug	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	5 of 8	4 of 8	6 of 8	6 of 8
Sep	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	5 of 8	3 of 8	5 of 8	3 of 8
Oct	4 of 8	4 of 8	5 of 8	4 of 8	4 of 8	5 of 8	4 of 8	4 of 8	5 of 8	7 of 8	2 of 8	7 of 8
Nov	6 of 8	4 of 8	5 of 8	6 of 8	4 of 8	5 of 8	6 of 8	4 of 8	5 of 8	7 of 8	2 of 8	6 of 8
Dec	6 of 8	4 of 8	6 of 8	6 of 8	4 of 8	6 of 8	6 of 8	4 of 8	6 of 8	6 of 8	4 of 8	7 of 8
2016 Jan	6 of 8	4 of 8	6 of 8	6 of 8	4 of 8	6 of 8	6 of 8	4 of 8	6 of 8	4 of 8	1 of 8	3 of 8
Feb	6 of 8	4 of 8	5 of 8	6 of 8	4 of 8	5 of 8	6 of 8	4 of 8	5 of 8	6 of 8	5 of 8	6 of 8
Mar	6 of 8	4 of 8	6 of 8	6 of 8	4 of 8	6 of 8	6 of 8	4 of 8	6 of 8	8 of 8	2 of 8	8 of 8
Apr	6 of 8	4 of 8	6 of 8	6 of 8	4 of 8	6 of 8	6 of 8	4 of 8	6 of 8	8 of 8	1 of 8	8 of 8
May	6 of 8	4 of 8	6 of 8	6 of 8	4 of 8	6 of 8	6 of 8	4 of 8	6 of 8	8 of 8	2 of 8	8 of 8
Jun	6 of 8	4 of 8	5 of 8	6 of 8	4 of 8	5 of 8	6 of 8	4 of 8	5 of 8	7 of 8	2 of 8	7 of 8
Jul	6 of 8	4 of 8	5 of 8	6 of 8	4 of 8	5 of 8	6 of 8	4 of 8	5 of 8	4 of 8	4 of 8	4 of 8
Aug	3 of 8	5 of 8	5 of 8	3 of 8	5 of 8	5 of 8	3 of 8	4 of 8	4 of 8	3 of 8	4 of 8	2 of 8
Sep	4 of 8	4 of 8	4 of 8	4 of 8	4 of 8	4 of 8	4 of 8	4 of 8	4 of 8	3 of 8	5 of 8	5 of 8

Year To Date	Transient			Ranking Group			Contract			Total		
	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR	Occ	ADR	RevPAR
2014	4 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	3 of 8	2 of 8	2 of 8
2015	5 of 8	4 of 8	5 of 8	6 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	5 of 8	5 of 8	5 of 8
2016	4 of 8	5 of 8	5 of 8	6 of 8	4 of 8	5 of 8	6 of 8	4 of 8	5 of 8	3 of 8	3 of 8	5 of 8

Running 3 Month

2014	4 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	6 of 8	2 of 8	3 of 8
2015	5 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	5 of 8	5 of 8	5 of 8
2016	4 of 8	5 of 8	5 of 8	6 of 8	4 of 8	5 of 8	6 of 8	4 of 8	5 of 8	3 of 8	3 of 8	5 of 8

Running 12 Month

2014	4 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	6 of 8	2 of 8	3 of 8
2015	5 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	5 of 8	5 of 8	5 of 8
2016	4 of 8	4 of 8	5 of 8	5 of 8	4 of 8	5 of 8	6 of 8	4 of 8	5 of 8	7 of 8	2 of 8	7 of 8

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Tab 14 - Segmentation Day Of Week - Current Month

Holiday Inn Express Hauppauge Long Island 2050 Express Dr S Hauppauge, NY 11788-5500 Phone: (631) 348-1400

STR # 41994 ChainID: 563 MgtCo: Sage Hospitality Owner: None

For the Month of: September 2016 Date Created: October 18, 2016 Monthly Competitive Set Data Excludes Subject Property

Transient	Group			Current Month			Contract			Total			Percent Change (%)			Contract			Group			Market			Market			Total		
	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class			
Sunday	66.9	52.0	12.8	13.0	0.0	2.7	79.7	53.3	67.7	10.2	-0.2	100.0	-15.7	0.0	68.2	18.8	-9.1	-2.1												
Monday	79.3	63.0	7.9	10.2	0.0	2.9	87.2	58.6	76.1	-0.7	3.2	1300.0	-6.4	0.0	13.0	8.4	-4.8	2.1												
Tuesday	89.3	75.9	0.2	5.6	0.0	3.7	89.5	67.9	85.2	-3.1	4.8	-58.3	-46.9	0.0	27.3	-3.4	-3.5	-0.8												
Wednesday	94.5	74.6	1.5	8.4	0.0	3.6	96.1	68.7	86.6	1.9	-2.3	-16.7	3.1	0.0	94.3	1.6	-3.6	0.2												
Thursday	77.9	62.2	4.1	12.8	0.0	2.8	82.0	59.7	77.8	0.1	-8.8	-46.0	37.4	0.0	14.6	-4.0	-5.7	-2.7												
Weekday	81.4	65.4	5.2	10.1	0.0	3.1	86.6	61.6	78.6	-0.4	-2.1	66.3	-5.5	0.0	36.6	2.1	-6.1	-1.5												
Friday	67.1	52.2	15.0	30.2	0.0	2.7	82.1	74.3	85.1	13.6	-6.5	-44.8	15.0	0.0	6.6	-4.8	-0.5	0.4												
Saturday	65.2	60.5	29.1	31.7	0.0	2.3	94.4	89.0	94.5	14.9	1.4	-25.8	-3.2	0.0	-10.5	-1.8	-1.5	-0.5												
Weekend	66.2	55.9	21.3	30.9	0.0	2.5	87.6	80.8	89.3	14.4	-3.2	-36.0	4.6	0.0	-3.8	-4.0	-2.0	-0.7												
Total	76.7	63.9	10.2	16.2	0.0	1.8	86.9	67.3	81.8	1.8	4.6	8.7	14.2	0.0	28.4	0.4	-3.9	-0.8												
ADR																														
Sunday	123.18	151.63	142.91	178.68	0.00	160.39	126.34	122.15	157.19	-6.7	2.9	12.0	32.5	0.0	6.2	-4.0	2.0	8.7												
Monday	134.10	156.53	139.66	183.38	0.00	156.39	134.60	133.80	160.13	2.8	5.9	-56.2	45.4	0.0	-5.5	2.1	6.2	10.3												
Tuesday	138.23	158.27	124.97	140.47	0.00	160.79	138.21	136.82	157.22	2.3	4.3	0.5	7.4	0.0	7.3	2.3	3.0	5.5												
Wednesday	138.66	156.68	109.35	145.31	0.00	160.19	138.20	137.22	155.72	2.6	3.4	-29.1	11.5	0.0	4.8	2.0	4.3	4.1												
Thursday	121.94	148.29	119.90	156.74	0.00	149.04	121.84	129.11	149.70	-7.2	1.5	-3.4	14.3	0.0	3.2	-6.8	3.9	3.3												
Weekday	131.49	154.34	135.76	163.73	0.00	157.33	131.75	132.16	155.67	-1.3	3.3	0.0	24.1	0.0	3.0	-1.2	3.5	5.8												
Friday	142.26	167.89	147.46	171.53	0.00	139.77	143.22	133.05	168.28	0.5	6.8	6.6	-1.8	0.0	3.4	1.9	1.4	4.0												
Saturday	165.24	185.30	152.88	174.22	0.00	145.05	161.42	145.23	180.61	4.9	8.1	11.1	4.2	0.0	-32.0	8.1	2.7	5.6												
Weekend	152.32	176.27	150.76	172.76	0.00	141.88	151.94	139.01	174.08	2.0	7.2	9.3	1.3	0.0	-18.0	4.6	1.6	4.4												
Total	136.90	161.29	144.97	164.83	0.00	147.74	137.85	134.62	161.69	0.2	5.2	5.7	9.7	0.0	-2.8	0.9	3.1	5.8												
RevPAR																														
Sunday	82.43	78.87	18.27	23.31	0.00	4.25	100.69	65.16	106.43	2.9	2.7	124.0	11.7	0.0	78.5	14.0	-7.3	6.4												
Monday	106.37	98.57	11.03	18.74	0.00	4.49	117.40	78.47	121.80	2.0	9.3	513.6	36.2	0.0	6.7	10.7	1.1	12.6												
Tuesday	123.42	120.07	0.23	7.81	0.00	6.00	123.66	92.88	133.88	-0.9	9.3	-58.1	-42.9	0.0	14.9	0.0	-1.2	-0.6	4.6											
Wednesday	131.10	116.89	1.64	12.23	0.00	5.75	132.75	94.31	134.87	4.6	0.9	-41.0	14.9	0.0	103.7	3.6	0.6	4.3												
Thursday	94.99	92.31	4.87	20.00	0.00	4.12	99.86	77.08	116.43	-7.1	-7.4	-47.8	57.1	0.0	18.2	-10.5	-2.1	0.5												
Weekday	107.06	100.91	7.10	16.59	0.00	4.88	114.16	81.37	122.38	-1.7	1.1	66.3	17.3	0.0	40.7	0.9	-2.9	4.3												
Friday	95.41	87.62	22.17	51.79	0.00	3.81	117.59	98.83	143.23	14.2	-0.1	-41.2	12.9	0.0	4.0	-3.0	0.9	4.4												
Saturday	107.78	112.12	44.54	55.29	0.00	3.30	152.32	129.21	170.71	20.5	9.6	-17.6	0.9	0.0	-39.1	6.2	1.2	5.1												
Weekend	100.91	98.51	32.12	53.35	0.00	3.59	133.02	112.33	155.44	16.7	3.7	-30.0	6.0	0.0	-21.1	0.5	-0.4	3.7												
Total	105.03	103.03	14.79	26.63	0.00	2.64	119.82	90.66	132.30	2.0	0.3	-3.5	25.3	0.0	24.8	1.3	-0.9	5.0												

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Tab 15 - Segmentation Day Of Week - Year to Date

Holiday Inn Express Hauppauge Long Island 2050 Express Dr S Hauppauge, NY 11788-5500 Phone: (631) 348-1400
 STR # 41994 ChainID: 5863 MgtCo: Sage Hospitality Owner: None
 For the Month of: September 2016 Date Created: October 18, 2016 Monthly Competitive Set Data Excludes Subject Property

Occupancy (%)	Year To Date						Transient						Group						Percent Change (%)						Contract						Market						Total					
	My Prop	Comp	Set	Market	Class	My Prop	Comp	Set	Market	Class	My Prop	Comp	Set	Market	Class	My Prop	Comp	Set	Market	Class	My Prop	Comp	Set	Market	Class	My Prop	Comp	Set	Market	Class	My Prop	Comp	Set	Market	Class	My Prop	Comp	Set	Market	Class		
Sunday	42.7	49.0	8.4	9.3	0.0	2.5	51.7	47.1	60.9	-9.5	1.1	60.1	13.7	0.0	75.5	-1.8	3.7	4.7																								
Monday	65.3	65.1	5.4	6.7	0.0	3.1	70.1	60.0	74.9	-12.9	-0.1	35.4	5.8	0.0	45.7	-11.5	0.9	1.7																								
Tuesday	71.2	73.2	4.9	6.5	0.0	3.6	77.2	68.0	83.2	-15.5	0.2	37.8	-10.1	0.0	49.2	-12.6	0.2	0.7																								
Wednesday	71.8	72.4	5.0	7.9	0.0	3.0	77.7	67.6	83.2	-13.9	-2.6	33.3	22.5	0.0	107.0	-11.2	0.1	1.3																								
Thursday	61.3	62.4	5.7	9.4	0.0	3.1	66.9	58.2	74.9	-10.9	1.0	-11.3	7.5	0.0	64.3	-11.3	-0.4	3.5																								
Weekday	62.4	64.4	5.9	8.0	0.0	3.1	68.7	60.2	75.4	-12.9	-0.2	28.2	7.8	0.0	64.4	-10.3	0.7	2.2																								
Friday	42.6	51.9	22.2	23.1	0.0	2.7	65.4	65.6	77.8	-16.0	2.8	-2.0	-2.4	0.0	13.8	-10.5	-0.4	1.6																								
Saturday	44.2	57.2	28.1	26.0	0.0	2.6	73.0	75.0	85.8	-18.4	3.7	10.5	-4.7	0.0	3.4	-8.5	-0.6	1.0																								
Weekend	43.4	54.5	25.1	24.5	0.0	2.7	69.2	70.2	81.7	-17.3	3.2	4.4	-3.7	0.0	8.5	-9.5	-0.6	1.2																								
Total	57.3	63.2	11.5	12.3	0.0	1.7	68.8	63.1	77.2	-13.7	0.0	13.9	8.5	0.0	42.6	-10.1	0.4	1.9																								
ADR																																										
Sunday	124.65	144.87	129.80	150.26	0.00	150.27	125.50	122.98	145.92	4.3	4.0	-5.0	3.7	0.0	-1.9	3.5	2.4	3.9																								
Monday	132.99	147.89	124.44	150.23	0.00	154.77	132.41	127.24	148.39	4.9	3.2	-4.9	5.5	0.0	-1.6	4.3	2.9	3.3																								
Tuesday	140.88	151.30	124.90	145.27	0.00	152.14	139.84	132.62	150.87	4.9	3.0	0.1	3.9	0.0	-2.6	4.4	3.6	2.9																								
Wednesday	140.61	151.05	124.52	145.26	0.00	154.80	139.56	131.88	150.63	6.3	3.2	-6.0	3.7	0.0	0.3	5.5	3.4	3.1																								
Thursday	127.03	144.40	132.06	148.83	0.00	155.19	127.48	125.15	145.41	3.2	2.8	-1.4	3.5	0.0	4.7	2.8	3.0																									
Weekday	134.29	148.24	127.54	148.11	0.00	153.52	133.70	128.43	148.44	4.8	3.2	-3.6	4.1	0.0	-0.3	4.1	2.9	3.2																								
Friday	144.09	159.62	149.36	159.74	0.00	142.16	145.89	134.45	159.04	6.2	5.2	6.0	0.4	0.0	-2.0	6.8	3.7	3.4																								
Saturday	158.12	167.36	149.42	161.74	0.00	141.22	154.74	140.52	164.86	12.2	5.6	6.5	2.2	0.0	-6.9	9.9	5.4	4.2																								
Weekend	151.15	163.63	149.39	160.79	0.00	141.70	150.51	137.65	162.06	9.2	5.4	6.2	1.4	0.0	-4.5	9.5	4.6	3.8																								
Total	137.90	152.87	141.88	152.46	0.00	143.49	138.57	131.39	152.60	5.7	3.7	3.1	2.6	0.0	-0.6	5.5	3.4	3.4																								
RevPAR																																										
Sunday	53.23	71.06	10.85	14.03	0.00	3.71	64.86	57.93	88.80	-5.6	5.2	52.1	18.0	0.0	72.1	1.7	6.2	8.8																								
Monday	86.79	96.25	6.67	10.00	0.00	4.87	92.84	76.31	111.12	-8.6	3.1	28.8	11.7	0.0	43.4	-7.7	3.8	5.1																								
Tuesday	100.35	110.74	6.18	9.44	0.00	5.42	107.92	90.14	125.59	-11.4	3.2	38.0	-6.5	0.0	45.4	-8.7	3.8	3.7																								
Wednesday	100.95	109.31	6.22	11.42	0.00	4.57	108.38	89.13	125.31	-8.5	0.5	25.3	27.0	0.0	107.7	-6.3	3.4	4.5																								
Thursday	77.86	90.05	7.50	14.02	0.00	4.87	85.28	72.82	108.94	-8.0	3.8	-12.5	11.3	0.0	72.1	-8.8	1.5	6.6																								
Weekday	83.83	95.48	7.49	11.78	0.00	4.69	91.86	77.27	111.95	-8.8	2.9	23.6	12.1	0.0	63.8	-6.6	3.6	5.5																								
Friday	61.31	82.87	33.13	36.95	0.00	3.88	95.41	88.20	123.71	-10.9	8.2	3.8	-2.0	0.0	11.4	-4.4	3.3	5.1																								
Saturday	69.93	95.72	41.93	42.05	0.00	3.69	113.04	105.32	141.47	-8.5	9.5	17.6	-2.6	0.0	3.7	-0.5	4.8	5.3																								
Weekend	65.57	89.21	37.48	39.47	0.00	3.79	104.11	96.65	132.47	-9.7	8.8	10.9	-2.4	0.0	3.6	-1.9	4.0	5.1																								
Total	79.05	96.60	16.34	18.77	0.00	2.50	95.39	82.86	117.87	-8.8	3.6	3.6	17.5	11.3	0.0	41.7	-5.1	3.8	5.4																							

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Tab 16 - Segmentation Day Of Week - Running 3 Month

Holiday Inn Express Hauppauge Long Island 2050 Express Dr S Hauppauge, NY 11788-5500 Phone: (631) 348-1400
 STR # 41994 ChainID: 5863 MgtCo: Sage Hospitality Owner: None
 For the Month of: September 2016 Date Created: October 18, 2016 Monthly Competitive Set Data Excludes Subject Property

Occupancy (%)	Running 3 Month						Total					
	Transient			Group			Market			Market		
	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class
Sunday	64.8	56.0	10.8	13.8	0.0	2.5	75.6	57.0	72.3	6.9	0.4	35.5
Monday	78.9	68.0	8.6	10.1	0.0	2.9	87.6	64.0	81.0	-5.5	-3.4	246.5
Tuesday	81.5	75.7	7.9	9.2	0.0	3.1	89.4	72.6	88.0	-11.2	-2.6	270.3
Wednesday	84.3	74.4	9.0	11.5	0.0	3.0	93.3	72.2	88.9	-3.7	-5.1	93.1
Thursday	76.4	67.3	7.2	13.0	0.0	2.4	83.6	64.7	82.7	3.3	-2.8	-26.9
Weekday	77.2	68.3	8.7	11.5	0.0	2.8	85.9	66.1	82.6	-3.1	-3.0	60.8
Friday	62.4	57.8	26.4	28.1	0.0	2.4	88.8	79.1	88.3	7.5	-0.7	-22.6
Saturday	58.3	63.7	35.5	29.6	0.0	2.3	93.8	90.6	95.6	2.3	5.9	-10.5
Weekend	60.4	60.6	30.8	28.8	0.0	2.4	91.2	84.7	91.8	5.1	2.5	-16.5
Total	72.2	67.8	15.3	15.8	0.0	1.7	87.5	71.6	85.3	-1.6	-2.6	6.4

ADR	Running 3 Month						Total					
	Transient			Group			Market			Market		
	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class
Sunday	129.35	157.41	139.33	160.44	0.00	146.24	130.77	129.93	157.60	1.2	6.0	-1.2
Monday	139.75	160.11	139.44	161.05	0.00	147.84	139.72	135.64	159.78	5.1	5.9	-14.1
Tuesday	146.27	163.25	141.94	150.52	0.00	148.54	145.88	140.31	161.40	3.3	5.0	3.9
Wednesday	148.23	163.67	137.11	148.35	0.00	146.76	147.16	140.25	161.11	6.2	5.7	-5.3
Thursday	130.99	156.89	144.61	153.57	0.00	140.17	132.17	132.43	155.87	-1.5	4.1	-0.4
Weekday	139.50	160.50	140.24	154.99	0.00	146.14	139.58	136.06	159.25	2.8	5.3	-3.1
Friday	150.55	180.13	156.19	172.53	0.00	136.77	152.23	145.39	176.52	-0.3	4.7	7.2
Saturday	178.38	196.05	160.76	173.18	0.00	136.40	171.71	156.08	187.54	11.2	6.5	10.1
Weekend	163.48	188.19	158.73	172.85	0.00	136.60	161.88	150.90	182.05	5.0	5.6	8.8
Total	145.40	168.07	151.13	162.12	0.00	141.77	146.40	141.21	166.45	3.7	5.5	3.9

RevPAR	Running 3 Month						Total					
	Transient			Group			Market			Market		
	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class
Sunday	83.79	88.20	15.07	22.11	0.00	3.61	98.86	74.11	113.92	8.2	6.5	33.9
Monday	110.33	108.83	12.02	16.33	0.00	4.34	122.35	86.86	129.50	-0.7	2.3	197.5
Tuesday	119.20	123.58	11.25	13.88	0.00	4.57	130.44	101.89	142.02	-8.2	2.3	284.8
Wednesday	125.00	121.70	12.37	17.13	0.00	4.34	137.37	101.19	143.18	2.2	0.3	82.9
Thursday	100.08	105.54	10.46	19.96	0.00	3.39	110.54	85.74	128.89	1.7	1.2	-27.2
Weekday	107.68	109.57	12.23	17.88	0.00	4.05	119.91	89.96	131.50	-0.3	2.1	55.8
Friday	93.87	104.03	41.27	48.53	0.00	3.30	135.14	115.01	155.87	7.1	3.9	-17.0
Saturday	103.99	124.96	57.09	51.26	0.00	3.13	161.08	141.47	179.34	13.8	12.8	-1.5
Weekend	98.75	114.11	48.89	49.84	0.00	3.22	147.63	127.75	167.17	10.3	8.2	-9.2
Total	105.00	113.96	23.05	25.67	0.00	2.34	128.05	101.05	141.97	2.1	2.7	10.6

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Tab 17 - Segmentation Day Of Week - Running 12 Month

Holiday Inn Express Hauppauge Long Island 2050 Express Dr S Hauppauge, NY 11788-5300 Phone: (631) 348-1400
 STR # 41994 ChainID: 5863 MgtCo: Sage Hospitality Owner: None
 For the Month of: September 2016 Date Created: October 18, 2016 Monthly Competitive Set Data Excludes Subject Property

Occupancy (%)	Running 12 Month												Percent Change (%)												
	Transient				Group				Contract				Transient				Group				Contract				Total
	Market Class	My Prop Comp Set	Market Class	My Prop Comp Set	Market Class	My Prop Comp Set	Market Class	My Prop Comp Set	Market Class	My Prop Comp Set	Market Class	My Prop Comp Set	Market Class	My Prop Comp Set	Market Class	My Prop Comp Set	Market Class	My Prop Comp Set	Market Class	My Prop Comp Set	Market Class	My Prop Comp Set	Market Class	My Prop Comp Set	Market Class
Sunday	42.3	47.9	8.2	9.3	0.0	2.4	51.0	45.9	59.6	-9.4	1.6	59.1	17.7	0.0	125.1	-2.0	3.5	6.2							
Monday	65.4	64.1	5.6	6.6	0.0	3.2	70.5	58.9	73.9	-12.8	-0.8	64.7	19.0	0.0	94.4	-10.2	0.8	2.9							
Tuesday	70.8	71.6	5.0	6.3	0.0	3.7	76.6	66.0	81.5	-15.1	-0.6	53.4	-0.4	0.0	106.2	-12.0	0.3	1.9							
Wednesday	70.8	71.1	4.9	7.5	0.0	2.9	76.3	65.8	81.6	-14.9	-3.2	37.5	28.6	0.0	176.6	-12.2	-1.2	1.5							
Thursday	61.5	62.0	5.6	9.4	0.0	3.1	67.0	57.9	74.5	-11.7	1.1	-6.1	11.1	0.0	116.8	-11.6	-0.2	4.6							
Weekday	62.1	63.3	5.8	7.8	0.0	3.1	68.3	58.9	74.2	-13.3	-0.6	37.5	15.0	0.0	119.4	-10.3	0.4	3.2							
Friday	41.6	51.3	23.2	23.2	0.0	2.7	65.3	64.4	77.2	-18.4	3.8	8.3	-2.3	0.0	51.7	-9.6	0.0	3.0							
Saturday	43.0	55.5	30.0	26.9	0.0	2.7	73.5	73.6	85.1	-21.8	3.9	20.7	-5.7	0.0	39.9	-8.1	-0.6	1.5							
Weekend	42.3	53.4	26.6	25.0	0.0	2.7	69.4	69.0	81.1	-20.2	3.8	14.7	-4.2	0.0	45.7	-8.8	-0.4	2.2							
Total	56.7	62.3	11.9	12.2	0.0	1.7	68.6	61.8	76.2	-14.7	0.4	23.5	9.4	0.0	87.9	-9.9	0.2	2.9							
ADR																									
Sunday	123.53	142.09	127.86	146.48	0.00	150.09	124.24	120.78	143.09	5.9	3.8	-4.9	2.4	0.0	-2.1	4.9	3.1	3.6							
Monday	129.55	145.45	121.35	144.74	0.00	157.90	129.06	125.47	145.92	3.8	2.7	-6.3	3.0	0.0	0.4	3.2	2.6	2.9							
Tuesday	138.85	149.39	121.67	139.46	0.00	153.48	137.72	130.93	148.81	4.2	2.7	-1.1	1.4	0.0	-1.7	3.7	3.1	2.6							
Wednesday	128.64	148.81	121.07	141.53	0.00	155.45	137.50	130.07	148.37	5.6	2.8	-5.7	1.8	0.0	0.8	4.8	2.9	2.7							
Thursday	125.82	142.25	128.10	144.91	0.00	154.15	126.04	123.17	143.08	4.2	2.6	-1.7	2.6	0.0	4.0	3.7	2.1	2.8							
Weekday	132.21	145.94	124.50	143.74	0.00	154.38	131.55	126.53	146.06	4.5	2.8	-4.0	2.3	0.0	0.2	3.9	2.7	2.8							
Friday	141.42	155.37	143.58	155.82	0.00	140.66	142.20	131.21	154.98	7.5	5.3	4.5	0.4	0.0	-3.1	7.1	4.1	3.4							
Saturday	153.74	162.82	142.74	156.68	0.00	141.65	149.22	136.36	160.22	12.6	5.9	4.9	1.8	0.0	-6.6	9.4	5.6	4.2							
Weekend	147.62	159.21	143.11	156.27	0.00	141.15	145.88	133.94	157.70	10.0	5.6	4.7	1.1	0.0	-4.9	8.3	4.9	3.8							
Total	135.46	149.96	136.89	148.79	0.00	142.95	135.71	128.90	149.62	5.7	3.4	2.1	2.5	0.0	-1.0	5.3	3.4	3.1							
RevPAR																									
Sunday	52.30	68.05	10.50	13.64	0.00	3.58	63.38	55.41	85.27	-4.1	5.4	51.3	20.6	0.0	120.5	2.8	6.7	10.1							
Monday	84.68	93.27	6.74	9.54	0.00	4.99	91.03	73.88	107.80	-9.5	2.0	54.3	22.7	0.0	95.2	-7.3	3.4	5.9							
Tuesday	98.35	106.93	6.08	8.72	0.00	5.69	105.46	86.38	121.34	-11.6	2.1	51.6	1.0	0.0	102.7	-8.8	3.3	4.5							
Wednesday	98.13	105.80	5.94	10.67	0.00	4.53	104.96	85.63	121.01	-10.1	-0.5	29.7	31.0	0.0	178.7	-7.9	1.7	4.2							
Thursday	77.38	88.23	7.11	13.60	0.00	4.80	84.45	71.31	106.64	-8.0	3.7	-7.7	14.1	0.0	125.5	-8.3	1.9	7.5							
Weekday	82.15	92.44	7.28	11.24	0.00	4.72	89.83	74.51	108.40	-9.3	2.2	32.0	17.7	0.0	119.8	-6.8	3.1	6.1							
Friday	58.83	79.88	33.33	36.13	0.00	3.86	92.87	84.57	119.67	-12.3	9.4	13.2	-1.9	0.0	47.1	-3.1	4.1	6.5							
Saturday	66.04	90.42	42.76	42.11	0.00	3.78	109.65	100.40	136.30	-11.9	10.1	26.7	-4.0	0.0	30.7	0.6	4.9	5.8							
Weekend	62.40	85.00	38.00	39.09	0.00	3.82	101.18	92.40	127.90	-12.2	9.7	20.2	-3.1	0.0	38.5	-1.2	4.5	6.1							
Total	76.84	93.41	16.25	18.13	0.00	2.46	93.09	79.64	114.00	-9.8	3.9	26.0	12.1	0.0	86.1	-5.1	3.6	6.1							

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Tab 18 - Additional Revenue ADR Analysis (TrevPOR)

Holiday Inn Express Hauppauge Long Island 2050 Express Dr S Hauppauge, NY 11788-5300 Phone: (631) 348-1400
 STR # 41994 ChainID: 5863 MgtCo: Sage Hospitality Owner: None
 For the Month of: September 2016 Date Created: October 18, 2016 Monthly Competitive Set Data Excludes Subject Property

Revenue Per Rooms Sold													Percent Change (%)													Ranking													My Prop vs. Comp Set												
Current Month	Room				F&B				Other				Total (TrevPOR**)				Room				F&B				Other				Market				Total (TrevPOR**)																		
	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class	My Prop	Comp Set	Market Class									
2015	Apr	122.97	119.76	136.52	0.00	3.04	9.35	5.20	132.31	144.76	2.7	4.4	0.6	0.0	170.8	7.4	4 of 8																																		
2015	May	131.99	127.26	148.25	0.00	3.04	7.99	4.00	139.98	155.29	2.9	5.8	3.6	0.0	34.1	4.3	4 of 8																																		
2015	Jun	139.31	134.07	155.49	0.00	2.59	7.58	3.89	146.89	161.97	5.7	4.5	3.8	0.0	26.2	6.6	5 of 8																																		
2015	Jul	145.49	138.04	161.17	0.00	3.12	7.56	3.86	153.05	168.15	7.5	5.8	3.8	0.0	42.5	8.8	5 of 8																																		
2015	Aug	140.73	135.96	161.88	0.00	3.27	7.56	4.05	148.29	169.20	3.0	4.7	3.0	0.0	35.9	4.3	5 of 8																																		
2015	Sep	136.67	130.56	152.80	0.00	2.42	8.16	3.89	144.82	159.11	3.5	4.2	3.9	0.0	-10.1	2.6	5 of 8																																		
2015	Oct	135.06	130.44	148.48	0.00	3.05	7.56	4.17	142.61	155.70	5.0	3.6	2.7	0.0	18.6	5.7	3.1	4 of 8																																	
2015	Nov	126.03	117.86	138.49	0.00	3.42	9.65	4.82	135.67	146.73	5.8	3.4	3.0	0.0	6.6	1.9	3.1	4 of 8																																	
2015	Dec	116.64	112.13	130.35	0.00	2.98	8.69	5.48	125.33	138.81	2.2	2.8	1.1	0.0	4.3	-3.3	-7.1	1.8	0.8	4 of 8																															
2016	Jan	115.88	110.97	129.26	0.00	3.30	9.07	4.83	124.94	137.40	3.6	0.9	1.1	0.0	-17.3	-10.2	-20.4	2.4	-0.4	4 of 8																															
2016	Feb	119.51	114.34	131.29	0.00	3.40	8.99	5.78	128.50	140.47	1.7	1.3	1.1	0.0	-14.7	-4.5	11.2	1.3	1.1	4 of 8																															
2016	Mar	123.68	117.12	132.69	0.00	3.07	8.76	4.62	132.44	140.38	3.8	0.0	-2.0	0.0	-29.3	11.5	-14.3	4.3	-3.3	4 of 8																															
2016	Apr	134.18	123.89	140.62	0.00	2.66	10.36	4.74	144.55	148.02	9.1	3.5	3.0	0.0	-12.8	10.9	-8.8	9.2	2.2	4 of 8																															
2016	May	137.87	131.72	154.23	0.00	2.16	8.39	4.00	146.26	160.39	4.5	3.5	4.0	0.0	-28.9	5.0	-0.1	4.5	3.3	4 of 8																															
2016	Jun	153.43	143.11	162.72	0.00	3.04	7.92	3.67	161.35	169.43	10.1	6.7	4.6	0.0	17.6	4.5	9.8	4.6	4 of 8																																
2016	Jul	153.25	146.45	168.57	0.00	3.35	4.45	2.13	157.70	174.05	5.3	6.1	4.6	0.0	7.5	-41.1	-44.9	3.0	3.5	4 of 8																															
2016	Aug	147.94	141.81	168.67	0.00	1.98	4.03	1.62	151.98	172.27	5.1	4.3	4.2	0.0	-39.2	-46.6	-60.1	2.5	1.8	5 of 8																															
2016	Sep	137.85	134.62	161.69	0.00	2.25	5.10	2.56	142.96	166.50	0.9	3.1	5.8	0.0	-7.3	-37.4	-34.0	1.2	-1.3	4.6	4 of 8																														
Year To Date													Running 3 Month													Running 3 Month													Total (RevPOR*)												
2014	125.58	120.59	143.70	0.00	5.44	131.02	3.3	-0.6	2.4	0.0	103.1	5.4	4 of 8																																						
2015	131.37	127.03	147.56	0.00	3.23	8.26	4.49	139.63	155.29	4.6	5.3	2.7	0.0	51.7	6.6	4 of 8																																			
2016	138.57	131.39	152.60	0.00	2.75	7.00	3.57	145.56	158.91	5.5	3.4	3.4	0.0	-15.0	-15.3	-20.6	4.3	2.3	5 of 8																																
Running 3 Month													Running 3 Month													Total (RevPOR*)													Total (RevPOR*)												
2014	134.77	128.74	153.43	0.00	6.53	141.30	7.2	2.8	4.8	0.0	144.6	10.1	4 of 8																																						
2015	141.01	134.99	158.76	0.00	2.95	7.75	3.94	148.76	165.65	4.6	4.9	3.5	0.0	18.7	5.3	4 of 8																																			
2016	146.40	141.21	166.45	0.00	2.53	4.52	2.09	150.92	171.07	3.8	4.6	4.8	0.0	-14.2	-41.7	-47.0	1.4	3.3	4 of 8																																

** TrevPOR = Total revenue per occupied room (sum of Room, F&B, and Other revenue divided by total occupied rooms).

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Tab 19 - Additional Revenue RevPAR Analysis (TrevPAR)

Holiday Inn Express Hauppauge Long Island 2050 Express Dr S Hauppauge, NY 11788-5300 Phone: (631)348-1400
 STR # 41994 ChainID: 5863 MgtCo: Sage Hospitality Owner: None
 For the Month of: September 2016 Date Created: October 18, 2016 Monthly Competitive Set Data Excludes Subject Property

Revenue Per Rooms Available

Current Month	Room				F&B				Other				Total TrevPAR**)				Room				F&B				Other				Market				Total TrevPAR**)				My Prop vs. Comp Set			
	My Prop	Comp Set	Market Class	My Prop	Market Class	My Prop	Comp Set	Market Class	My Prop	Market Class	My Prop	Comp Set	Market Class	My Prop	Market Class	My Prop	Market Class	My Prop	Market Class	My Prop	Market Class	My Prop	Market Class	My Prop	Market Class	My Prop	Market Class	My Prop	Market Class	My Prop	Market Class	My Prop	Market Class	My Prop	Market Class					
2015	92.86	70.04	99.84	0.00	2.23	7.06	3.80	99.91	105.87	-3.8	-3.8	0.3	0.0	153.5	0.6	5 of 8																								
Apr	102.92	82.25	114.77	0.00	2.36	6.23	3.10	109.15	120.23	-1.0	-2.6	4.0	0.0	29.0	0.4	5 of 8																								
May	123.88	98.49	129.97	0.00	2.16	6.74	3.25	130.62	135.38	8.3	5.6	5.3	0.0	29.2	9.2	5 of 8																								
Jun	126.43	103.72	137.87	0.00	2.67	6.57	3.30	133.01	143.85	2.5	1.2	5.1	0.0	35.8	3.7	5 of 8																								
Jul	126.02	101.76	140.93	0.00	2.84	6.77	3.53	132.79	147.30	1.6	3.0	3.9	0.0	33.9	2.8	5 of 8																								
Aug	118.31	91.50	126.05	0.00	2.00	7.06	3.21	125.37	131.25	10.4	10.7	8.8	0.0	4.1	9.5	5 of 8																								
Sep	111.63	84.67	120.01	0.00	2.47	6.25	3.37	117.88	125.85	-1.4	2.0	8.0	0.0	24.7	-1.4	8.4	5 of 8																							
Oct	80.45	67.18	100.17	0.00	2.47	6.16	3.48	86.61	106.13	-8.1	3.0	10.1	0.0	13.9	4.1	8.9	-7.3	10.1	5 of 8																					
Nov	66.42	58.35	85.22	0.00	1.95	4.95	3.58	71.37	90.75	-7.2	3.8	7.1	0.0	10.5	-12.1	-1.6	-7.5	6.8	6 of 8																					
Dec	57.00	49.35	74.90	0.00	1.91	4.46	2.80	61.46	79.62	0.2	-1.8	2.8	0.0	-15.9	-13.2	-19.0	-0.9	1.3	6 of 8																					
Jan	64.23	56.40	85.54	0.00	2.22	4.83	3.77	69.07	91.52	-12.1	0.9	2.8	0.0	-13.3	-17.5	13.0	-12.5	2.7	5 of 8																					
Feb	63.63	64.20	92.91	0.00	2.15	4.51	3.24	68.13	98.29	-23.5	2.1	0.5	0.0	-27.5	-17.8	-12.0	-23.2	-0.8	6 of 8																					
Mar	76.91	78.66	109.88	0.00	2.07	5.94	3.70	82.85	115.66	-17.2	12.3	10.1	0.0	-6.8	-15.8	-2.6	-17.1	9.2	6 of 8																					
Apr	94.60	91.41	122.33	0.00	1.72	5.76	3.17	100.35	127.21	-8.1	11.1	6.6	0.0	-27.2	-7.6	2.3	-8.1	5.8	6 of 8																					
May	117.17	101.00	137.26	0.00	2.56	6.05	3.10	123.22	142.93	-5.4	2.6	5.6	0.0	18.7	-10.2	-4.8	-5.7	5.6	5 of 8																					
Jun	129.50	107.63	144.46	0.00	2.87	3.76	1.82	133.26	149.15	2.4	3.8	4.8	0.0	7.7	-42.7	-44.8	0.2	3.7	5 of 8																					
Jul	134.56	104.53	148.83	0.00	1.75	3.67	1.43	138.23	152.01	6.8	2.7	5.6	0.0	-38.4	-45.8	-59.5	4.1	3.2	5 of 8																					
Aug	119.82	90.66	132.30	0.00	1.84	4.44	2.10	124.25	136.24	1.3	-0.9	5.0	0.0	-8.0	-37.2	-34.5	-0.9	3.8	4 of 8																					
Sep	100.37	79.44	107.63	0.00	4.35	104.72																																		
Year To Date	100.57	79.83	111.82	0.00	2.45	6.32	3.40	106.89	117.68	0.2	0.5	3.9	0.0	45.3	2.1	6.5	5 of 8																							

Running 3 Month

2014	118.32	94.79	127.72	0.00	5.73	124.05	4.3	-7.2	-1.4	0.0	105.0																											
2015	123.64	99.07	135.04	0.00	2.51	6.80	3.35	130.44	140.89	4.5	4.5	5.7	0.0	142.4	9.1	5 of 8																						
2016	128.05	101.05	141.97	0.00	2.16	3.95	1.78	132.00	145.91	3.6	2.0	5.1	0.0	-14.0	-46.8	1.2	-3.6	5.3	5 of 8																			

Running 12 Month

2014	96.52	76.88	103.93	0.00	3.59	100.11	-2.0	-14.1	-6.1	0.0	71.3																											
2015	98.11	76.89	107.43	0.00	2.33	6.23	3.37	104.34	113.14	1.6	0.0	3.4	0.0	73.2	-4.2	5 of 8																						
2016	93.09	79.64	114.00	0.00	2.16	5.06	2.93	98.15	119.10	-5.1	3.6	6.1	0.0	-7.1	-18.8	-13.1	-5.9	5.3	5 of 8																			

TrevPAR = Total revenue per available room (sum of Room, F&B, and Other revenue divided by total available rooms).

2014	100.37	79.44	107.63	0.00	4.35	104.72	4.3	-7.2	-1.4	0.0	105.0																											
2015	100.57	82.86	117.87	0.00	2.12	4.82	2.76	100.21	122.75	-5.1	3.8	5.4	0.0	-13.4	-23.8	-19.1	-6.3	4.3	5 of 8																			
2016	95.39	101.05	141.97	0.00	2.16	3.95	1.78	132.00	145.91	3.6	2.0	5.1	0.0	-14.0	-41.9	-14.9	-6.3	3.6	5 of 8																			

2014	96.52	76.88	103.93	0.00	3.59	100.11	-2.0	-14.1	-6.1	0.0	71.3																										
2015	98.11	76.89	107.43	0.00	2.33	6.23	3.37	104.34	113.14	1.6	0.0	3.4	0.0	73.2	-4.2	5 of 8																					
2016	93.09	79.64	114.00	0.00	2.16	5.06	2.93	98.15	119.10	-5.1	3.6	6.1	0.0	-7.1	-18.8	-13.1	-5.9	5.3	5 of 8																		

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Tab 20 - Segmentation Response Report

Holiday Inn Express Hauppauge Long Island 2050 Express Dr S Hauppauge, NY 11788-5300 Phone: (631) 348-1400
 STR # 41994 ChainID: 5863 MgiCo.: Sage Hospitality Owner: None
 For the Month of: September 2016 Date Created: October 18, 2016

This Year				September 2016 (This Year)							September 2015 (Last Year)									
Sun	Mon	Tue	Wed	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Sep 5th - Labor Day						1	2	3					6	7	8	9	10	11	12	
Sep 13th - Eid al-Adha													13	14	15	16	17	18	19	
													20	21	22	23	24	25	26	
													27	28	29	30				

Last Year

- Sep 7th - Labor Day
- Sep 14th - Rosh Hashanah
- Sep 23rd - Yom Kippur
- Sep 24th - Eid al-Adha

2014							2015							2016						
Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May

STR#	Name	City, State	Zip	Phone	Rooms	Open Date
41994	Holiday Inn Express Hauppauge Long Island	Hauppauge, NY	11788-5300	(631) 348-1400	133	200103
90	Clarion Hotel & Conference Center Ronkonkoma	Ronkonkoma, NY	11779-7443	(631) 585-9500	289	197406
1764	UPSKY Long Island Hotel	Smithtown, NY	11788-5131	(631) 231-1100	209	198006
1635	Hampton Inn Long Island Islandia	Islandia, NY	11749-1563	(631) 234-0400	120	198007
18378	Hampton Inn Long Island Commack	Commack, NY	11725-5404	(631) 462-5700	143	198802
44095	Courtyard Long Island MacArthur Airport	Ronkonkoma, NY	11779-5551	(631) 612-5000	154	200205
49614	Hilton Garden Inn Islip MacArthur Airport	Ronkonkoma, NY	11779-7629	(631) 738-7800	165	200308
54051	La Quinta Inns & Suites Islip MacArthur Airport	Bohemia, NY	11716-2902	(631) 881-7700	132	200606
					1345	

Data received:

s = Segmentation (Transient, Group, Contract) Only

r = Additional Revenue Only

B = Both Segmentation & Additional Revenue

Tab 21 - Help

Definitions

ADR (Average Daily Rate) - Room revenue divided by rooms sold, displayed as the average rental rate for a single room.

Competitive (Comp) Set - A peer group of competitive hotels selected by hotel management to benchmark the subject property's performance.

Contract - Rooms sold/revenue from bookings sold at rates stipulated by contracts including airline crews and permanent guests.

Exchange Rate - The factor used to convert revenue from US Dollars to the local currency. Reports display the monthly exchange rates (the rate on the last day of the month) and the daily exchange rates on the Daily by Month pages.

STR obtains exchange rate from Canda.com Any aggregated number in the report (YTD, Running 3 month, Running 12 month) uses the exchange rate of each relative month when calculating the data.

Fiscal Year To Date (YTD) - Custom fiscal year as specified by individual hotel or hotel group, if a non-calender Fiscal Year to Date calculation is more applicable (e.g. July – June) to coincide with hotel/hotel groups' operations and financial reporting.

Food & Beverage Revenue (F&B) - Revenue derived from food and beverage sales.

Group - Rooms sold/revenue from bookings sold simultaneously in blocks of ten (10) or more.

Index (Occupancy, ADR, RevPAR) - Property performance divided by competitive set performance multiplied by 100. Internationally, indexes are also referred to as MPI - Market Penetration Index (Occupancy Index).

ARI - Average Rate Index (ADR Index), and RGI - RevenueRevPAR Generation Index (RevPAR Index).

Market Class - Class is an industry categorization which includes chain-affiliated and independent hotels. The class for a chain-affiliated hotel is the same as its chain scale. An independent hotel is assigned a class based on its ADR.

Market Class - Relative to that of the chain hotels in their geographic proximity. There are six (6) class groups: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale and Economy.

Market Class Combined (or Collapsed) - If a single class segment is insufficient for reporting, classes are combined. There are three combined class segments: Luxury and Upper Upscale, Upscale and Upper Midscale, and Midscale and Economy.

Market Scale (Collapsed) - Hotels located in the subject property's market and classified in the subject property's STR chain scale segment. There are seven (7) scale groups: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy and Independent.

Market Scale (Economy) (Includes Upper Midscale, Midscale and Economy).

MTD (Month to Date) - If a month ends during the current week, the MTD number would represent the month that ended.

Occupancy - Rooms sold divided by rooms available multiplied by 100. Occupancy is always displayed as a percentage of rooms occupied.

Other Revenue - All hotel revenue other than room and food and beverage revenue.

Percent Change (% Chg) - Amount of growth - up, down or flat - this period versus same period last year (day, week, running 28 days, running month-to-date). Calculated as $((T-Y-L)/LY)*100$.

Percent Change Rank (Occupancy, ADR, RevPar) - The percent change for the property is compared to the percent change of each hotel in the comp set

Rank (Occupancy, ADR, RevPar) - Property performance ranked versus hotels in the competitive set (e.g. a '3' of 6' ADR ranking means the subject hotel's absolute ADR is third highest of the six competitors).

RevPAR (Revenue per Available Room) - Room revenue divided by rooms available

Room Revenue - Revenue derived from guestroom rental.

Segmented Data - Rooms sold and revenue data broken down by Transient, Group, and Contract.

Tract Scale - Hotels located in the subject property's tract and classified in the subject property's STR chain scale segment. There are four (4) tract scale groups: Upscale (includes Luxury, Upper Upscale, Upscale), Midscale (includes Upper Midscale and Midscale), Economy and Independent.

Transient - Rooms sold/revenue from guests with reservations at Rock, Corporate, Corporate Negotiated, Package, Government or foreign traveler rates.

Planning - The project will go out for bids, construction will start within 4 months, or an architect/engineer has been selected for the project and plans are underway.

Under Construction - Ground has been broken or the owner is finalizing bids on the prime (general) contract.

FAQ

How is my hotel performing versus competition?

The monthly STR report provides timely occupancy, average room rate, revenue per available room benchmarking of your hotel's performance versus your own selected competitors and an STR defined industry segment.

Is my hotel's data included in the competitive set?

It depends on your preference. Check the summary page to see if your hotel's data is included or excluded in the competitive set numbers.

How does STR determine currency and exchange rates?

Currency is user-defined and is displayed at the top of the report. STR obtains exchange rate data from Oanda.com.

How are percentage changes computed?

Hotel and competitive performance changes are measured against same period prior year.

Why do my percentage change numbers have such a large range?

The data for this year vs. the same period last year may vary greatly. Consider if you sold 2294 rooms this year vs. 743 last year, the percent change would be 208.7% $((2294-743)/743)*100$.

What is an index?

An index is an easy way to compare your hotel's performance versus competition. An index of 100 or higher means your hotel's absolute performance is the same or better than competition.

What does the "Rank" information mean?

Your hotel's performance is ranked against the other properties in your competitive set. If your hotel's RevPAR rank is '2' of 6', that means your hotel's RevPAR was second highest of the six hotels in your competitive set.

What does "running 28 days" mean?

The most recent 28 days historical performance. The running 28 day numbers are based on the most current 28-day period, ending with the last day included in the weekly report.

What does "run MTD" mean?

Running month-to-date. The MTD numbers are based on a calendar month and include all days of the same month, through the most recent calendar day included in the report. If the most recent weeks reporting includes data in two calendar months, the MTD numbers only include data from the recently ended month.

What if there are blanks in my competitive set numbers?

Your competitive set did not include sufficient data for reporting. A minimum of three (3) hotels excluding the subject property must report data in order for STR to provide competitive set performance.

What if there are blanks in my competitive set percentage change?

Your competitive set did not include sufficient data for reporting prior year data.

What is "Pipeline" on the Summary Tab?

Pipeline data is generated based on the STR/McGraw-Hill Construction Dodge Supply Pipeline database and details hotels that are being planned but not yet open. Every month STR receives data feeds from its hotel clients and Dodge Construction to create the definitive database for hotels in planning, pre-planning or under construction. The data is widely used by investment banks, development groups and hotel owners to estimate future nationwide supply growth and track supply changes in the market.

Who can I contact if I have more questions?

Check out the glossary and FAQ at www.str.com or e-mail support@str.com

If I'm an all-inclusive hotel, how can I benchmark my package rate?

In order to benchmark your package rate, you need to participate in the Segmentation program which will break out your revenues by Rooms, F&B, & Other. This will provide you with a RevPAR which is the total revenue per available room and is the same as an all-inclusive package rate.

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EXHIBIT B

FORM OF TENANT DIRECTION LETTER

[_____], 20[__]

[ADDRESSEE]

[_____

_____]
[_____]

Re: Payment Direction Letter for [BORROWER]
[PROPERTY NAME]

Dear [_____]:

[BORROWER] (“**Owner**”), the owner of the above captioned property (the “**Property**”), has mortgaged the Property to [LENDER] (together with its successors and assigns, “**Lender**”) and has agreed that all rents and other income due for the Property will be paid directly to a bank selected by Lender. Therefore, from and after the date hereof (until you are otherwise notified as provided below), all rent to be paid by you under the [AGREEMENT/LEASE] between you and Owner (the “[**Agreement/Lease**]”) should be sent directly to the following account:

Regular Mail:

[_____]
[_____]
[_____]
[_____]

For Overnight Delivery Only:

[_____]
Lockbox # [_____]
[_____]
[_____]

Wire Transfer:

Bank: [_____]
City & State: [_____]
ABA: [_____]
Account Name: [_____]
Account No.: [_____]

These payment instructions cannot be withdrawn or modified without the prior written consent of Lender or its agent (“**Servicer**”), or pursuant to a joint written instruction from Owner and Lender or Servicer. Until you receive written instructions from Lender or Servicer, continue to send all payments due under the [Agreement/Lease] as directed above. All such payments

must be delivered no later than the day on which such amounts are due under the [Agreement/Lease].

If you have any questions concerning this letter, please contact the persons identified for notice purposes in the [Agreement/Lease]. We appreciate your cooperation in this matter.

OWNER:

[_____]

By:_____

Name:_____

Title:_____

EXHIBIT C

FORM OF CREDIT CARD BANK PAYMENT DIRECTION LETTER

[BORROWER LETTERHEAD]

[] . 201[]

[ADDRESSEE]

[]
[]
[]

Re: Payment Direction Letter for [BORROWER]
[PROPERTY NAME]

Dear []:

[BORROWER] (“Owner”), the owner of the above captioned property (the “Property”), has mortgaged the Property to [LENDER] (together with its successors and assigns, “Lender”) and has agreed that all receipts received for the Property will be paid directly to a bank selected by Lender. Therefore, from and after the date hereof (until you are otherwise notified as provided below), please remit all credit card receipts cleared by you and due to the Owner [under that certain [REFERENCE AGREEMENT], dated [], [] (the “Agreement”) between the Owner and you,] by the ACH system or wire transfer to the following account:

Bank Name
ABA# []
Attn: []
Fax: []
Account []

These payment instructions cannot be withdrawn or modified without the prior written consent of Lender or its agent (“Servicer”), or pursuant to a joint written instruction from Owner and Lender or its Servicer. Until you receive written instructions from Lender or Servicer, continue to send all payments due under the Agreement as directed above. All such payments due under the Agreement must be remitted no later than the day on which such amounts are due under the Agreement.

If you have any questions concerning this letter, please contact the persons identified for notice purposes in the Agreement. We appreciate your cooperation in this matter.

OWNER:

[_____]

By: _____
Name: _____
Title: _____

EXHIBIT D

FORM OF CREDIT CARD COMPANY PAYMENT DIRECTION LETTER

[BORROWER LETTERHEAD]

[] . 201[]

[ADDRESSEE]

[]
[]
[]

Re: Payment Direction Letter for [BORROWER]
[PROPERTY NAME]

Dear []:

[BORROWER] (“**Owner**”), the owner of the above captioned property (the “**Property**”), has mortgaged the Property to [LENDER] (together with its successors and assigns, “**Lender**”) and has agreed that all receipts received for the Property will be paid directly to a bank selected by Lender. Therefore, from and after the date hereof (until you are otherwise notified as provided below), please remit all payments due to the [Owner] [Lessee] [Manager] under that certain [REFERENCE AGREEMENT], dated [], [] (the “**Agreement**”) between the [Owner] [Lessee] [Manager] and you, as follows:

Bank Name
ABA# []
Attn: []
Fax: []
Account []

These payment instructions cannot be withdrawn or modified without the prior written consent of Lender or its agent (“**Servicer**”), or pursuant to a joint written instruction from Owner and Lender or its Servicer. Until you receive written instructions from Lender or Servicer, continue to send all payments due under the Agreement as directed above. All such payments due under the Agreement must be remitted no later than the day on which such amounts are due under the Agreement.

If you have any questions concerning this letter, please contact the persons identified for notice purposes in the Agreement. We appreciate your cooperation in this matter.

OWNER:

[_____]

By: _____
Name: _____
Title: _____

EXHIBIT E
FORM OF OFFICER'S CERTIFICATE



DISBURSEMENT REQUEST AND CERTIFICATION

To: Wells Fargo Bank, N.A.

Re: Loan No. ("Loan"): _____ Borrower Name ("Borrower"): _____
Project Name or Property Address ("Property"): _____

Reserve Account Requested Amount
(Please include a separate Reserve Disbursement Request Schedule for each category requested below)

<input type="checkbox"/> Capital Expenditures	\$ _____
<input type="checkbox"/> FF&E	\$ _____
<input type="checkbox"/> Replacement Reserve	\$ _____
<input type="checkbox"/> Required Repairs/Deferred Maintenance	\$ _____
<input type="checkbox"/> Other/Holdback: _____	\$ _____
 <input type="checkbox"/> Tenant Improvement/Leasing Commission	\$ _____

Total \$ _____

Borrower hereby requests a disbursement in the total amount of \$ _____ from the designated reserve account(s) pursuant to the terms of the Loan. If applicable, enclosed with this request is a cost summary and supporting documentation (invoices, checks, lien waivers etc.) covering all costs for which disbursement is requested. In order to induce Wells Fargo Bank, N.A., as master servicer of the Loan for the lender ("Lender"), to make this disbursement, Borrower hereby certifies to Lender as follows:

- All labor, services and materials for which disbursement is requested have been provided to or for the benefit of the Property.
- All work for which disbursement is requested has been performed in a workmanlike manner, in accordance with all applicable laws, ordinances, and regulations and the requirements of the loan documents and, if the loan documents so require, has been paid for and completed lien-free.
- No portion of the amount requested for disbursement has been previously disbursed to Borrower or is the subject of any other pending disbursement request from Borrower.
- Borrower has and will retain, until the Loan is fully repaid, copies of paid invoices, billing statements, contracts or estimates, proofs of payment and lien waivers covering all costs for which disbursement is requested and will provide copies of same to Lender promptly upon request.
- Borrower has delivered to Lender copies of the most recent operating statement and rent roll for the Property, the most recent financial statements of Borrower and all other financial statements, reports and information required to be delivered to Lender under the loan documents.
- Neither Borrower nor its management firm has any ownership interest or profit sharing agreement with any of the suppliers or vendors listed in this Reserve Disbursement Request Borrower Certification ("Certification") that has not been disclosed under separate cover attached hereto and previously or subsequently approved by Wells Fargo.
- No Default or Event of Default (as defined in the loan documents) currently exists.
- The entity(ies) and individual(s) executing this Certification have all requisite power and authority to execute it on behalf of Borrower

By signing below, Borrower authorizes Lender to deduct from the disbursement proceeds or pay directly from the designated reserve account any costs incurred by Lender in connection with this disbursement which are due and payable by Borrower under the loan documents, including, without limitation, any inspection costs and processing fees.

Payment instructions: Please provide payment instructions on cover letter and Reserve Disbursement Request Schedule.

THIS REQUEST MUST BE SIGNED. FAILURE TO SIGN WILL DELAY PROCESSING.

By: _____
Authorized Signer for Borrower

Date: _____

Print Name: _____

Title: _____

Email address or fax number
for confirmation of receipt _____

