

ESH Hospitality, Inc.

FEIN: 27-3559821

Statement Pursuant to Treasury Regulations §1.1273-2(f)(9)

Disclaimer: The information contained in this statement does not constitute tax advice and does not purport to take into account any term loan holder's specific circumstances. Term loan holders are urged to consult their own tax advisors regarding the U.S. federal, state, local and non-U.S. tax consequences of the transaction described herein and the impact to tax basis resulting from the transaction.

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On March 1, 2017, ESH Hospitality, Inc. (“ESH”), Deutsche Bank AG, New York Branch, as administrative agent, and the other parties thereto entered into the First Amendment to Credit Agreement (the “Amendment”), with respect to the Credit Agreement, dated as of August 30, 2016. The Amendment removed the LIBOR floor and reduced the spread from 300bps to 250bps with respect to the term loan facility that was outstanding under the Credit Agreement prior to the Amendment (the “Initial Term Loan”). ESH has determined that the Amendment constitutes a “significant modification” of the Initial Term Loan within the meaning of Treasury Regulations §1.1001-3(e). For U.S. federal income tax purposes, the Initial Term Loan was deemed to be retired and reissued for a new term loan facility (the “Repriced Term Loan”).

Pursuant to Treasury Regulations § 1.1273-2(f)(9), ESH had made the following determinations in connection with the Amendment:

1. The Repriced Term Loans are “traded on an established market” within the meaning of Treasury Regulations § 1.1273-2(f); and
2. The issue price of the Repriced Term Loans as of the Closing Date is equal to 100% of the principal amount of the Repriced Term Loans.

Pursuant to Treasury Regulations § 1.1273-2(f)(9), ESH’s determinations in this statement are binding on a holder of the Repriced Term Loans unless such holder explicitly discloses that its determinations are different from ESH’s determinations on a timely filed U.S. federal income tax return for the taxable year that includes the acquisition date of the Repriced Term Loans.