SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): September 10, 2004

HOST MARRIOTT CORPORATION

(Exact Name of Registrant as Specified in Charter)

Maryland	**001-14625**	**53-0085950**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

6903 Rockledge Drive, Suite 1500 **Bethesda, Maryland**	**20817**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: (240) 744-1000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

Host Marriott Corporation ("Host Marriott") announced today that Host Marriott, L.P. ("Host LP"), for whom Host Marriott acts as sole general partner, has entered into an amended and restated credit facility. The terms "we" or "our" refer to Host Marriott and Host LP together, unless the context indicates otherwise.

See discussion of the amended and restated bank credit facility set forth below in Item 2.03 which is incorporated herein.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

General

On September 10, 2004, we entered into an amended and restated credit facility with Deutsche Bank Trust Company Americas, as Administrative Agent, Bank of America, N.A., as Syndication Agent, Citicorp North America Inc., Société Générale and Calyon New York Branch, as Co-Documentation Agents and certain other lenders. The amended and restated credit facility replaces our prior credit facility and provides aggregate revolving loan commitments in the amount of $575 million. The amended and restated credit facility also includes subcommitments for the issuance of letters of credit in an aggregate amount of $10 million and loans to certain of our Canadian subsidiaries in Canadian Dollars in an aggregate amount of $150 million. The amended and restated credit facility has an initial scheduled maturity in September 2008. We have an option to extend the maturity for an additional year if certain conditions are met at the time of the initial scheduled maturity. We also have the option to increase the amount of the facility by up to $100 million to the extent that any one or more lenders, whether or not currently party to the credit facility, commits to be a lender for such amount.

As with the prior facility, the debt under the amended and restated credit facility is guaranteed by certain of our existing subsidiaries and is currently secured by pledges of equity interests in many of our subsidiaries. The guarantees and pledges ratably benefit our credit facility as well as the notes outstanding under our senior notes indenture, certain other senior debt, and interest rate swap agreements and other hedging agreements with lenders that are parties to the amended and restated credit facility. As with the prior facility, the pledges are permitted to be released in the event that our leverage ratio falls below 6.0x for two consecutive fiscal quarters.

We have not made any drawings under the credit facility.

Financial Covenants and Dual Tranche Structure

Unlike our prior facility, the revolving loan commitment under the amended and restated credit facility is divided into two separate tranches: (1) a Revolving Facility A tranche of $385 million and (2) a Revolving Facility B tranche of $190 million. Subject to compliance with the facility's financial covenants, amounts available for borrowing under Revolving Facility A vary depending on our leverage ratio, with $385 million being available when our leverage ratio is less than 6.5x, $300 million being available when our leverage ratio equals or exceeds 6.5x but is less than 6.75x, $150 million being available when our leverage ratio equals or exceeds 6.75x but is less than 7.0x, and no amounts being available when our leverage ratio equals or exceeds 7.0x. By contrast, the entire amount of Revolving Facility B is available for borrowing at any time that our leverage ratio does not exceed levels ranging from 7.5x to 7.0x (depending on the time period as further described below) and our unsecured interest coverage ratio equals or exceeds 1.5x.

We are subject to different financial covenants depending on whether amounts are borrowed under Revolving Facility A or Revolving Facility B, and we are permitted to convert amounts borrowed under either tranche into amounts borrowed under the other tranche. While the financial covenants applicable under Revolving Facility A are generally comparable to those contained in our prior facility (including covenants for leverage, fixed charge coverage and unsecured interest coverage), the financial covenants applicable to Revolving Facility B are limited to leverage and unsecured interest coverage, and are set at less restrictive levels than the corresponding covenants applicable to Revolving Facility A. As a result of this structure, we have gained flexibility to make and maintain borrowings in circumstances where adverse changes to our financial condition could have prohibited the

maintenance of borrowings under the prior facility. Specifically, prior to the end of our third quarter of 2007, we are permitted to make borrowings and maintain amounts outstanding under Revolving Facility B so long as our leverage ratio is not in excess of 7.5x and our unsecured coverage ratio is not less than 1.5x. Thereafter, the maximum leverage ratio applicable to Revolving Facility B is reduced to 7.25x, with a further reduction to 7.0x occurring at the end of our third quarter of 2008. The financial covenants for the Revolving Facility A and Revolving Facility B do not apply when there are no borrowings under the respective tranche. Hence, so long as there are no amounts outstanding we are not in default if we do not satisfy the financial covenants and we do not lose the potential to draw under the amended and restated credit facility in the future if we were ever to come back into compliance with the financial covenants.

Interest and Fees

We pay interest on borrowings under the Revolving Facility A at floating interest rates plus a margin (which, in the case of LIBOR-based borrowings, ranges from 2.00% to 3.00%) that is set with reference to our leverage ratio. Borrowings under Revolving Facility B are subject to a margin that is .5% higher than the corresponding margin applicable to Revolving Facility A borrowings and .75% higher when our leverage ratio is greater than 7.0x. As with the prior facility, to the extent that amounts under the amended and restated credit facility remain unused, we pay a quarterly commitment fee on the unused portion of the loan commitment.

Other Covenants and Events of Acceleration

Our amended and restated credit facility imposes restrictions on customary matters that were also restricted in our prior facility. While such restrictions are generally similar to those contained in our prior facility, we have modified certain covenants to become less restrictive at any time that our leverage ratio falls below 6.0x. In particular, at any time that our leverage ratio is below 6.0x, we will not be subject to limitations on capital expenditures, and the limitations on acquisitions, investments and dividends contained in the amended and restated credit facility will be superseded by the generally less restrictive corresponding covenants in our senior notes indenture.

As with the prior facility, the amended and restated credit facility reflects restrictions on incurrence of debt and the payment of dividends that are generally consistent with the senior notes indenture. These provisions, under certain circumstances, limit debt incurrence to that incurred under the credit facility or in connection with a refinancing, and limit dividend payments to those necessary to maintain Host Marriott's tax status as a REIT.

Also as with the prior facility, the amended and restated credit facility includes usual and customary events of default for facilities of this nature, and provides that, upon occurrence and continuation of an event of default, payment of all amounts payable under the credit facility may be accelerated, the lenders' commitments may be terminated and the lenders may foreclose on the collateral. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the credit facility will automatically become due and payable and the lenders' commitments will automatically terminate.

Existing Relationships with the Lenders

We have ongoing relationships with all of the lenders that are parties to the amended and restated credit facility for which they have received customary fees and expenses. Certain of the lenders provide commercial banking services, including participations in mortgage loans and the provision of cash management services. We have also entered into interest rate swap agreements and other hedging arrangements with certain lenders. Affiliates of certain of the lenders have also acted as underwriters for issuances of our senior notes and equity securities. The Bank of New York also acts as trustee for our senior notes.

* * *

Forward-looking Statements

This discussion includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We identify forward-looking statements in this report by using words or phrases such as “believe,” “expect,” “may be,” “intend,” “predict,” “project,” “plan,” “objective,” “will be,” “should,” “estimate,” or “anticipate,” or similar expressions. Forward-looking statements are based on management’s current expectations and assumptions and are not guarantees of future performance that involve known and unknown risks, uncertainties and other factors which may cause our actual results to differ materially from those anticipated at the time the forward-looking statements are made. These risks and uncertainties include those risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2003 and in our other filings with the Securities and Exchange Commission. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that we will attain these expectations or that any deviations will not be material. Except as otherwise required by the federal securities laws, we disclaim any obligations or undertaking to publicly release updates to any forward-looking statement contained in this report to conform the statement to actual results or changes in our expectations.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No.	Description
10.43	Amended and Restated Credit Agreement, dated as of September 10, 2004, among Host Marriott, L.P., Certain Canadian Subsidiaries of Host Marriott, L.P., Deutsche Bank Trust Company Americas, Bank of America, N.A., Citicorp North America, Inc., Société Générale, Calyon New York Branch, and Various Lenders.
10.44	Amended and Restated Pledge and Security Agreement, dated as of September 10, 2004, among Host Marriott, L.P. and the other Pledgors named therein and Deutsche Bank Trust Company Americas, as Pledgee.
10.45	Amended and Restated Subsidiaries Guaranty, dated as of September 10, 2004, by the subsidiaries of Host Marriott, L.P. named as Guarantors therein.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOST MARRIOTT CORPORATION

By: /s/ LARRY K. HARVEY

Date: September 15, 2004

Name: Larry K. Harvey

Title: Senior Vice President and Corporate Controller

EXHIBIT INDEX

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Exhibit 10.43

U.S. $575,000,000

AMENDED AND RESTATED CREDIT AGREEMENT

among

HOST MARRIOTT, L.P.,
as the U.S. Borrower

CERTAIN CANADIAN SUBSIDIARIES OF HOST MARRIOTT, L.P.,
as the Canadian Revolving Loan Borrowers,

VARIOUS LENDERS,

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Administrative Agent,

BANK OF AMERICA, N.A.
as Syndication Agent

CITICORP NORTH AMERICA INC.

SOCIÉTÉ GÉNÉRALE

and

CALYON NEW YORK BRANCH
as Co-Documentation Agents

Dated as of September 10, 2004

DEUTSCHE BANK SECURITIES INC.

BANC OF AMERICA SECURITIES LLC.

and

CITIGROUP GLOBAL MARKETS
as Joint-Lead Arrangers and Joint Book Running Managers

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AMENDED AND RESTATED CREDIT AGREEMENT, dated as of September 10, 2004, among HOST MARRIOTT, L.P., a Delaware limited partnership (the "U.S. Borrower"), each CANADIAN REVOLVING LOAN BORROWER from time to time party hereto, the LENDERS party hereto from time to time, and DEUTSCHE BANK TRUST COMPANY AMERICAS, as Administrative Agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, the U.S. Borrower is party to the Original Credit Agreement (as defined below) and desires to amend and restate the Original Credit Agreement in its entirety with this Agreement as set forth below; and

WHEREAS, subject to and upon the terms and conditions set forth herein, the Lenders are willing to make available to the Borrowers the respective credit facilities provided for herein;

NOW, THEREFORE, IT IS AGREED:

SECTION 1. Definitions and Accounting Terms.

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

"Absolute Rate" shall mean an interest rate (rounded to the nearest .0001) expressed as a decimal.

"Acceptance Fee" shall mean, in respect of a Bankers' Acceptance, a fee calculated on the Face Amount of such Bankers' Acceptance at a rate per annum equal to the Applicable Margin that would be payable with respect to a Revolving Loan of the Tranche under which such Banker's Acceptance is incurred that is maintained as a Eurodollar Loan borrowed on the Drawing Date of such Bankers' Acceptance. Acceptance Fees shall be calculated on the basis of the term to maturity of the Bankers' Acceptance and a year of 365 days.

"Acceptance Fee Rebate" shall have the meaning provided in clause (g) of Schedule III hereto.

"Additional Acceptance Fee" shall have the meaning provided in clause (g) of Schedule III hereto.

"Additional Revolving Loan Commitment" shall mean, for each Additional Revolving Loan Lender, any commitment to make Revolving Loans by such Lender pursuant to Section 2.16, in such amount as agreed to by such Lender in the respective Additional Revolving Loan Commitment Agreement; provided that on the Additional Revolving Loan Commitment Date upon which an Additional Revolving Loan Commitment of any Additional Revolving Loan Lender becomes effective, such Additional Revolving Loan Commitment of such Additional Revolving Loan Lender shall be added to (and thereafter become a part of) the Revolving Loan

Commitment of such Additional Revolving Loan Lender for all purposes of this Agreement as contemplated by Section 2.16.

"Additional Revolving Loan Commitment Agreement" shall mean an Additional Revolving Loan Commitment Agreement substantially in the form of Exhibit J (appropriately completed).

"Additional Revolving Loan Commitment Date" shall mean each date upon which an Additional Revolving Loan Commitment under an Additional Revolving Loan Commitment Agreement becomes effective as provided in Section 2.16(b).

"Additional Revolving Loan Lender" shall have the meaning provided in Section 2.16(b).

"Adjusted Funds From Operations" shall mean, for any period, Consolidated Net Income for such period plus (a) the sum of the following amounts for such period (without duplication) to the extent deducted in the determination of Consolidated Net Income for such period: (i) depreciation expense, (ii) amortization expense and other non-cash charges of HMC and its Subsidiaries with respect to their real estate assets for such period, (iii) losses from Asset Sales, losses resulting from restructuring of Indebtedness, and extraordinary losses, (iv) amortization of financing cost, (v) minority interest expense and (vi) dividends paid on the QUIPS and dividends on Qualified Preferred Stock; less (b) the sum of the following amounts to the extent included in the determination of Consolidated Net Income for such period: (i) gains from Asset Sales, gains resulting from restructuring of Indebtedness, and extraordinary gains, (ii) the applicable share of Consolidated Net Income of HMC's Unconsolidated Entities, and (iii) minority partner adjusted funds from operations; plus (without duplication of any amounts referred to in clause (a) above in this definition) (c) HMC's pro rata share of Adjusted Funds From Operations of HMC's Unconsolidated Entities based upon HMC's percentage ownership interest in such Unconsolidated Entities.

"Adjusted Total Assets" shall mean the sum of (i) Undepreciated Real Estate Assets of the U.S. Borrower and its Subsidiaries (or, in the case of any calculation pursuant to Section 5.02(b), of the U.S. Borower and its Restricted Subsidiaries) and (ii) all other assets (excluding intangibles) of the U.S. Borrower and its Subsidiaries (or, in the case of any calculation pursuant to Section 5.02(b), of the U.S. Borower and its Restricted Subsidiaries) determined on a consolidated basis (it being understood that the accounts of Subsidiaries shall be consolidated with those of the U.S. Borrower only to the extent of the U.S. Borrower's proportionate interest therein) as of any transaction date, as adjusted to reflect the application of the proceeds of the incurrence of Indebtedness and the issuance of Disqualified Stock on such transaction date. Adjusted Total Assets, as of any date of determination, shall mean the Adjusted Total Assets as of the end of the most recent fiscal quarter ending on or prior to the date of determination for which financial statements are required to have been delivered pursuant to Section 10.11 or prior to the first date such financial statements are required to be delivered, the fiscal quarter ending June 18, 2004.

"Adjustment Date" shall have the meaning provided in Section 2.18(b).

"Administrative Agent" shall mean DBTCA in its capacity as Administrative Agent for the Lenders hereunder, and shall include any successor Administrative Agent appointed pursuant to Section 13.09.

"Affected Eurodollar Loans" shall have the meaning provided in Section 5.02(d).

"Affiliate" shall mean, with respect to any Person, any other Person (i) directly or indirectly controlling (including, but not limited to, all directors, officers and general partners of such Person) controlled by, or under direct or indirect common control with, such Person or (ii) that directly or indirectly owns more than 10% of the total voting power normally entitled to vote in the election of directors, managers or trustees, as applicable, in such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise, provided that the right to designate a member of the board of directors or managers of a Person will not, by itself, be deemed to constitute control. Notwithstanding the foregoing, neither Marriott International nor any of its Subsidiaries shall be considered to be Affiliates of HMC or any of its Subsidiaries.

"Affiliate Debt" shall mean any Indebtedness, whether now existing or hereafter incurred, owed by any Credit Party or any of its Subsidiaries to any other Credit Party or any of its Affiliates (including, without limitation, any Intercompany Existing Indebtedness).

"Affiliate Transaction" shall have the meaning provided for in Section 11.07.

"Agent" shall mean each of the Administrative Agent, the Syndication Agent, the Co-Documentation Agents and Collateral Agent.

"Aggregate Revolving A Credit Exposure" at any time shall mean the sum of (i) the aggregate principal amount of all Revolving A Loans then outstanding (for this purpose, (x) at all times prior to the occurrence of any Sharing Event and the automatic conversion of Canadian Revolving A Loans to Dollar Revolving A Loans pursuant to Section 2.17, using the Dollar Equivalent of the principal amount or Face Amount, as the case may be, of each Canadian Revolving Loan then outstanding and (y) at all times after any occurrence described in the preceding clause (x), giving effect to the conversions to Dollar obligations required by Section 2.17), plus (ii) the aggregate amount of all Letter of Credit A Outstandings at such time.

"Aggregate Revolving B Credit Exposure" at any time shall mean the sum of (i) the aggregate principal amount of all Revolving B Loans then outstanding (for this purpose, (x) at all times prior to the occurrence of any Sharing Event and the automatic conversion of Canadian Revolving B Loans to Dollar Revolving B Loans pursuant to Section 2.17, using the Dollar Equivalent of the principal amount or Face Amount, as the case may be, of each Canadian Revolving Loan then outstanding and (y) at all times after any occurrence described in the preceding clause (x), giving effect to the conversions to Dollar obligations required by Section 2.17), plus (ii) the aggregate amount of all Letter of Credit B Outstandings at such time.

"Aggregate Revolving Credit Exposure" at any time shall mean the sum of (i) the aggregate principal amount of all Revolving Loans then outstanding (for this purpose, (x) at all times prior to the occurrence of any Sharing Event and the automatic conversion of Canadian

Revolving Loans to Dollar Revolving Loans pursuant to Section 2.17, using the Dollar Equivalent of the principal amount or Face Amount, as the case may be, of each Canadian Revolving Loan then outstanding and (y) at all times after any occurrence described in the preceding clause (x), giving effect to the conversions to Dollar obligations required by Section 2.17), plus (ii) the aggregate amount of all Letter of Credit Outstandings at such time.

"Aggregate U.S. Revolving Exposure" at any time shall mean the sum of (i) the aggregate principal amount of all Dollar Revolving Loans then outstanding and (ii) the aggregate amount of all Letter of Credit Outstandings at such time.

"Agreement" shall mean this Amended and Restated Credit Agreement, as modified, supplemented or amended (including any amendment and restatement hereof) from time to time.

"Amended Senior Note Indenture" shall mean the Senior Note Indenture as in effect on the Effective Date, without giving effect to any covenant amendments pursuant to supplemental indentures other than (i) the amendments set forth in the Twelfth Supplemental Indenture or (ii) such amendments as may be approved or otherwise become effective pursuant to the procedures described in the definition of "Covenant Amendment Effective Date."

"Applicable Commitment Commission Percentage" shall mean, with respect to any quarterly period occurring between successive Quarterly Payment Dates (or, if shorter, the period through the termination of the Total Revolving Loan Commitment) during which the daily average Aggregate Revolving Credit Exposure is (i) less than 33% of the Total Revolving Loan Commitment, .55% per annum, (ii) greater than or equal to 33%, but less than 67%, of the Total Revolving Loan Commitment, .45% per annum; and (iii) greater than or equal to 67% of the Total Revolving Loan Commitment, .35% per annum; provided, however, that to the extent any portion of the Total Revolving Loan Commitment is not available pursuant to clause (vii) of Section 2.01(a) or clause (vi) of Section 2.01(b), the Applicable Commitment Commission Percentage solely with respect to such portion shall be 0.20% per annum rather than the higher percentages set forth above in this definition.

"Applicable Covenants" shall mean, in connection with any determination required to be made by the U.S. Borrower with respect to its ability to comply with the covenants set forth in Section 9.01 through 9.03 inclusive, the Revolving Facility A Financial Covenants (but only to the extent that there is any Revolving A Credit Exposure on the date of determination after giving effect to the event giving rise to the need for compliance) and, in any case, the Revolving Facility B Financial Covenants.

"Applicable Currency" shall mean, with respect to any Obligations, Dollars or, to the extent relating to Canadian Revolving Loans, the respective Canadian Dollars, in which the respective Revolving Loans or related amounts are denominated.

"Applicable Margin" shall mean, with respect to any:

(a) Revolving A Loan, from and after any Start Date to and including the corresponding End Date, (i) the respective percentage per annum set forth below under the respective Type of Revolving Loan and opposite the respective Level (i.e., Level I, Level II,

Level III, Level IV or Level V, as the case may be) indicated to have been achieved on the Test Date immediately preceding such Start Date (as shown on the respective officer's certificate delivered pursuant to Section 10.11(d) or the first proviso below) plus (ii) if any Excess Usage Amount exists as of the Test Date immediately preceding such Start Date, the Excess Usage Premium; provided, however, that the Excess Usage Premium shall be assessed only with respect to such Excess Usage Amount for so long as such amount remains outstanding following such Test Date and the Excess Usage Premium shall be adjusted between Test Dates each time that the Borrowers make a prepayment or conversion that reduces the Excess Usage Amount:

	Leverage Ratio	**Base Rate Loans**	**Eurodollar Rate Loans**
Level I	Less than 5:00:1.00	1.00%	2.00%
Level II	Greater than or equal to 5.00:1.00 but less than 5.50:1.00	1.25%	2.25%
Level III	Greater than or equal to 5.50:1.00 but less than 6.00:1.00	1.50%	2.50%
Level IV	greater than or equal to 6.00:1.00 but less than 6.50:1.00	1.75%	2.75%
Level V	greater than or equal to 6.50:1.00	2.00%	3.00%

(b) Revolving B Loan, from and after any Start Date to and including the corresponding End Date, the respective percentage per annum set forth below under the respective Type of Revolving Loan and opposite the respective Level (i.e., Level I, Level II, Level III, Level IV, Level V or Level VI, as the case may be) indicated to have been achieved on the Test Date immediately preceding such Start Date (as shown on the respective officer's certificate delivered pursuant to Section 10.11(d) or the first proviso below):

	Leverage Ratio	Base Rate Loans	Eurodollar Rate Loans
Level I	Less than 5:00:1.00	1.50%	2.50%
Level II	Greater than or equal to 5.00:1.00 but less than 5.50:1.00	1.75%	2.75%
Level III	Greater than or equal to 5.50:1.00 but less than 6.00:1.00	2.00%	3.00%
Level IV	greater than or equal to 6.00:1.00 but less than 6.50:1.00	2.25%	3.25%
Level V	greater than or equal to 6.50:1.00 but less than or equal to 7.00:1.00	2.50%	3.50%
Level VI	greater than 7.00:1.00	2.75%	3.75%

; provided, however, that if the U.S. Borrower fails to deliver the financial statements required to be delivered pursuant to Section 10.11(a) or (b) (accompanied by the officer's certificate required to be delivered pursuant to Section 10.11(d) showing the applicable Leverage Ratio on the relevant Test Date) on or prior to the respective date required by such Sections, then Level V pricing (with respect to Revolving A Loans) (and using the highest Excess Usage Premium) and Level VI pricing (with respect to Revolving B Loans) shall apply until such time, if any, as the financial statements required as set forth above and the accompanying officer's certificate have been delivered showing the pricing for the respective Margin Reduction Period is at a level which is less than Level V (with respect to Revolving A Loans) and Level VI (with respect to Revolving B Loans) (it being understood that, in the case of any late delivery of the financial statements and officer's certificate as so required, any reduction in the Applicable Margin shall apply only from and after the date of the delivery of the complying financial statements and officer's certificate); provided, further, that Level V pricing (with respect to Revolving A Loans) and Level VI pricing (with respect to Revolving B Loans) shall apply at any time when any Specified Default or Event of Default is in existence. Notwithstanding anything to the contrary contained in the immediately preceding sentence (other than the second proviso thereof), Level III pricing shall apply for the period from the Effective Date to but not including the date which is the first Start Date after the Effective Date.

The Applicable Margin for Canadian Revolving A Loans which are Canadian Prime Rate Loans is the Applicable Margin determined above for Base Rate Loans that are Revolving A Loans. The Applicable Margin for Acceptance Fees for Canadian Revolving A Loans which are Bankers' Acceptances is the Applicable Margin determined above for Eurodollar Rate Loans that are Revolving A Loans.

The Applicable Margin for Canadian Revolving B Loans which are Canadian Prime Rate Loans is the Applicable Margin determined above for Base Rate Loans that are Revolving B Loans. The Applicable Margin for Acceptance Fees for Canadian Revolving B Loans which are Bankers' Acceptances is the Applicable Margin determined above for Eurodollar Rate Loans that are Revolving B Loans.

"Approved Lessee" shall mean (i) a Taxable REIT Subsidiary of the U.S. Borrower or (ii) another lessee under an Operating Lease, which lessee must be approved by the Administrative Agent (such approval not to be unreasonably withheld) unless either such Operating Lease relates to Hotel Properties accounting, individually or with other leases of such lessee, for less than 10% of the Consolidated EBITDA of the U.S. Borrower or such lessee is a Permitted Facility Manager.

"Asset Sale" shall mean any sale, transfer or other disposition (including by way of merger, consolidation or sale-leaseback transaction) in one transaction or a series of related transactions by the U.S. Borrower or any of its Subsidiaries to any Person other than the U.S. Borrower or any of its Subsidiaries of (i) all or any of the Capital Stock of any Subsidiary (including by issuance of such Capital Stock), (ii) all or substantially all of the property and assets of an operating unit or business of the U.S. Borrower or any of its Subsidiaries, or (iii) any other property and assets of the U.S. Borrower or any of its Subsidiaries (other than Capital Stock of a Person which is not a Subsidiary) outside the ordinary course of business of the U.S. Borrower or such Subsidiary and, in each case, that is not governed by Section 11.09; provided that "Asset Sale" shall not include (a) sales or other dispositions of inventory, receivables and other current assets, (b) sales, transfers or other dispositions of assets with a fair market value not in excess of $10 million in any transaction or series of related transactions, (c) leases of real estate assets, (d) Investments complying with Section 11.10 and (e) any transactions that, pursuant to clause (b) of Section 11.08, are not deemed not to be an "Asset Sale."

"Asset Sale Period" shall have the meaning provided in Section 5.02(b).

"Assets" shall mean, with respect to any Person, all assets of such Person that would, in accordance with GAAP, be classified as assets of a company conducting a business the same as or similar to that of such Person, including without limitation, all hotels, mortgage loans, management agreements, franchise agreements, representation agreements, undeveloped land, joint ventures, hotel construction and available cash balances.

"Assignee Canadian Lender" shall have the meaning provided in Section 14.03(d).

"Assignment and Assumption Agreement" shall mean the Assignment and Assumption Agreement substantially in the form of Exhibit L (appropriately completed).

"Authorized Financial Officer" of any Credit Party shall mean any of the Chief Financial Officer, the Treasurer or the Chief Accounting Officer of such Credit Party or any other officer of such Credit Party designated in writing to the Administrative Agent by any of the foregoing officers of such Credit Party as being authorized to act in such capacity so long as such

other officer is a financial person who works in such Credit Party's controller's or accounting office.

"Authorized Officer" of any Credit Party shall mean any of the Chief Executive Officer, the President, the Chief Operating Officer, any Authorized Financial Officer or any Vice-President of such Credit Party or any other officer of such Credit Party which is designated in writing to the Administrative Agent by any of the foregoing officers of such Credit Party as being authorized to give notices under this Agreement.

"BA Discount Proceeds" shall mean, in respect of any Bankers' Acceptance to be purchased by a Canadian Lender on any date pursuant to Section 2.01 and Schedule III hereto, an amount rounded to the nearest whole Canadian cent, and with one-half of one Canadian cent being rounded up, calculated on such day by dividing:

(a) the Face Amount of such Banker's Acceptance; by

(b) the sum of one plus the product of:

(i) the respective Canadian Lender's Discount Rate (expressed as a decimal) applicable to such Bankers' Acceptance; and

(ii) a fraction, the numerator of which is the number of days in the term of maturity of such Banker's Acceptance and the denominator of which is 365;

with such product being rounded up or down to the fifth decimal place and .000005 being rounded up.

"Bank of America" shall mean Bank of America, N.A., in its individual capacity.

"Bankers' Acceptance" shall mean a Draft accepted by a Canadian Lender pursuant to Section 2.01 and Schedule III hereto.

"Bankers' Acceptance Loans" shall mean the creation and discount of Bankers' Acceptances as contemplated in Section 2.01 and Schedule III hereto.

"Bankruptcy Code" shall have the meaning provided in Section 12.05.

"Base Rate" at any time shall mean the higher of (i) 1/2 of 1% plus the overnight Federal Funds Rate and (ii) the Prime Lending Rate.

"Base Rate Loan" shall mean each Dollar Revolving Loan designated or deemed designated as such by the respective Borrower at the time of the incurrence thereof or conversion thereto.

"Borrowers" shall mean and include (i) the U.S. Borrower, and (ii) all Canadian Revolving Loan Borrowers. Each reference in this Agreement or any other Credit Document to any "Borrower" shall mean, if the respective reference relates to the Obligations of a Borrower

or its liabilities to make payments of principal, interest, fees or other amounts with respect to any outstanding Obligation, the respective Person which is the Borrower of the respective Revolving Loans in the case of Canadian Revolving Loans, or the Persons jointly and severally acting as the Borrower with respect thereto, in the case of Dollar Revolving Loans or Letter of Credit Outstandings. Each other reference in this Agreement or any other Credit Document to a Borrower (including without limitation for purposes of the representations and warranties, covenants and events of default) shall mean, unless the context otherwise indicates, any Person which, either individually or jointly and severally, is a Borrower hereunder (including the U.S. Borrower and each Canadian Revolving Loan Borrower).

"Borrowing" shall mean the borrowing on a given date by a Borrower of one Type and Tranche of Revolving Loan (or resulting from a conversion or conversions on such date) and having in the case of Eurodollar Loans the same Interest Period, provided that Base Rate Loans incurred pursuant to Section 2.11(b) shall be considered part of the related Borrowing of Eurodollar Loans.

"Business Day" shall mean (i) for all purposes other than as covered by clause (ii) or clause (iii) below, any day except Saturday, Sunday and any day which shall be in New York City a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close, (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, any day which is a Business Day described in clause (i) above and which is also a day for trading by and between banks in the London interbank market and which shall not be a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close in the city where the applicable Payment Office of the Administrative Agent is located in respect of Eurodollar Loans and (iii) solely for purposes of Canadian Revolving Loans, any day except Saturday, Sunday and any day which shall be in Toronto, Ontario, Canada a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close.

"Calculation Period" shall mean the period of four consecutive fiscal quarters last ended before the date of the respective event or incurrence which requires calculations to be made on a Pro Forma Basis and for which financial information of the kind referred to in Sections 10.11(a) and (b) is available.

"Canadian Commitment Commission" shall have the meaning provided in Section 4.01(a).

"Canadian Dollar Equivalent" shall mean, at any time for the determination thereof, the amount of Canadian Dollars which could be purchased with the amount of Dollars involved in such computation at the spot rate of exchange therefor as quoted by the Person serving as the Administrative Agent as of 11:00 A.M. (New York time) on the date two Business Days prior to the date of any determination thereof for purchase on such date.

"Canadian Dollar Revolving Loan Sub-Commitment" shall mean, as to any Canadian Lender, such Lender's Canadian RL Percentage of the Total Canadian Dollar Revolving Loan Sub-Commitment as determined pursuant to Sections 2.18(a), (b), (c) and (e)

from time to time. The Canadian Dollar Revolving Loan Sub-Commitments of the Canadian Lenders in no event may exceed the Maximum Canadian Dollar Revolving Loan Sub-Commitments of the Canadian Lenders.

"Canadian Dollar Revolving Notes" shall have the meaning provided in Section 2.06(a).

"Canadian Dollars" and "Cdn $" shall mean freely and transferable lawful money of Canada.

"Canadian Facility Valuation Date" shall mean each date set forth on Schedule C-1 hereto (or, if such date is not a Business Day, the next Business Day immediately following such date); provided, however if the U.S. Borrower elects to change its fiscal quarters to end on March 31, June 30, September 30 and December 31, each such date (or, if such date is not a Business Day, the next Business Day immediately following such date) shall thereafter become the Canadian Facility Valuation Dates in lieu of the dates set forth on Schedule C-l.

"Canadian Lender" shall mean (i) each Lender listed on Schedule I-B, and (ii) each additional Person that becomes a Canadian Lender party hereto as a lender in Canada to any Canadian Revolving Loan Borrower under the Maximum Canadian Dollar Revolving Loan Sub-Commitments in accordance with Section 2.14 or 14.03(b) (provided that a Canadian Lender must be (x) a person resident in Canada for purposes of the Income Tax Act (Canada), (y) an authorized foreign bank which at all times holds all of its interest in any Canadian Obligations in the course of its Canadian banking business for purposes of subsection 212(13.3) of the *Income Tax Act* (Canada) or (z) able to establish to the satisfaction of the Canadian Revolving Loan Borrowers and the Administrative Agent based on applicable law in effect on the Effective Date or on such later date on which it becomes a Canadian Lender that such Lender is not subject to deduction or withholding of Canadian Taxes with respect to any payments to such Lender of interest, fees, commissions, or any other amount payable by any Canadian Revolving Loan Borrower under the Credit Documents, on the Effective Date or such other date on which it becomes a Canadian Lender), in each case, in their capacities as lenders in Canada to the Canadian Revolving Loan Borrowers under the Maximum Canadian Dollar Revolving Loan Sub-Commitments. A Canadian Lender shall cease to be a "Canadian Lender" when it has assigned all of its Maximum Canadian Dollar Revolving Loan Sub-Commitment in accordance with Section 2.14 and/or 14.03(b). For purposes of this Agreement, (x) unless the context otherwise indicates, each reference to a Canadian Lender which has one or more affiliates which act as a Canadian Lender shall include such affiliate or affiliates and (y) the terms "Lender" and "RL Lender" include each Canadian Lender unless the context otherwise requires.

"Canadian Obligations" shall have the meaning provided in Section 16.01.

"Canadian Prime Rate" shall mean, at any time, the greater of (i) the per annum rate of interest quoted, published and commonly known as the "prime rate" of Deutsche Bank AG, Canada Branch which Deutsche Bank AG, Canada Branch establishes at its main office in Toronto, Ontario as the reference rate of interest in order to determine interest rates for commercial loans in Canadian Dollars to its Canadian borrowers, adjusted automatically with each quoted or published change in such rate, all without necessity of any notice to any Borrower

or any other Person and (ii) the sum of (x) the average of the rates per annum for Canadian Dollar bankers' acceptances having a term of 30 days that appears on the Reuters Screen CDOR Page as of 10:00 A.M. (Toronto time) on the date of determination, as reported by Deutsche Bank AG, Canada Branch (and if such screen is not available, any successor or similar services may be selected by Deutsche Bank AG, Canada Branch), and (y) 0.75%.

"Canadian Prime Rate Loans" shall mean any Canadian Revolving Loan designated or deemed designated as such by the respective Canadian Revolving Loan Borrower at the time of the incurrence thereof or conversion thereof.

"Canadian Revolving A Loan" shall have the meaning provided in Section 2.01(a).

"Canadian Revolving B Loan" shall have the meaning provided in Section 2.01(b).

"Canadian Revolving Loan Borrowers" shall mean Calgary Charlotte Partnership, HMC Toronto Air Company, HMC Toronto EC Company and HMC AP Canada Company.

"Canadian Revolving Loans" shall mean, collectively, all Canadian Revolving A Loans and Canadian Revolving B Loans.

"Canadian RL Percentage" of any Canadian Lender at any time shall mean a fraction (expressed as a percentage) the numerator of which is the Maximum Canadian Dollar Revolving Loan Sub-Commitment of such Canadian Lender at such time and the denominator of which is the Total Maximum Canadian Dollar Revolving Loan Sub-Commitment at such time. Notwithstanding anything to the contrary contained above, if the Canadian RL Percentage of any Canadian Lender is to be determined after the Total Revolving Loan Commitment has been terminated, then the Canadian RL Percentages of the Canadian Lenders shall be determined immediately prior (and without giving effect) to such termination.

"Canadian Taxes" shall have the meaning provided in Section 5.04(e).

"Capital Expenditures" shall mean, with respect to any Person, without duplication, all expenditures by such Person which should be capitalized in accordance with GAAP, including all such expenditures with respect to fixed or capital assets (including, without limitation, expenditures for maintenance and repairs which should be capitalized in accordance with GAAP) and, without duplication, the amount of Capitalized Lease Obligations of such Person.

"Capital Stock" of any Person shall mean any and all shares, interests, rights to purchase, warrants, options, and participation or other equivalents of or interests in (however designated) equity of such Person, including any preferred stock, any limited or general partnership interest and any limited liability company membership interest.

"Capitalized Lease Obligations" of any Person shall mean all rental obligations which are or will be required to be capitalized on the books of such Person, in each case taken at the amount thereof accounted for as indebtedness in accordance with GAAP.

"Cash Available for Distribution" of any Person for any period shall mean Consolidated EBITDA of such Person less the sum of (w) 5% of Gross Revenues received during such period from all Hotel Properties, (x) Consolidated Interest Expense for such period, (y) scheduled amortization (other than balloon payments) for such period plus (z) cash Taxes for such period.

"Cash Equivalents" shall mean (i) securities issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof) having maturities of not more than one year from the date of acquisition, (ii) U.S. dollar denominated time deposits, certificates of deposit and bankers acceptances of (x) any Lender that is a commercial bank or (y) any bank whose short-term commercial paper rating from S&P is at least A-2 or the equivalent thereof or from Moody's is at least P-2 or the equivalent thereof (any such bank or Lender, an "Approved Bank"), in each case with maturities of not more than one year from the date of acquisition, (iii) commercial paper issued by any Approved Bank or by the parent company of any Approved Bank and commercial paper issued by, or guaranteed by, any industrial or financial company with a short-term commercial paper rating of at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody's, or guaranteed by any industrial company with a long term unsecured debt rating of at least A or A2, or the equivalent of each thereof, from S&P or Moody's, as the case may be, and in each case maturing within one year after the date of acquisition, (iv) marketable direct obligations issued by the District of Columbia or any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Moody's and (v) investments in money market funds substantially all the assets of which are comprised of securities of the types described in clauses (i) through (iv) above.

"CDOR" shall mean, for any day and relative to Bankers' Acceptances having any specified term, the arithmetic average of the bid rates of interest (expressed as an annual percentage rate) rounded to the nearest one-hundred-thousandth of one percent (with 0.000005 being rounded up) for Canadian Dollar bankers' acceptances having a term to maturity equal to such specified term (or a term as closely as possible comparable to such specified term) of those of Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada, The Bank of Nova Scotia and The Toronto-Dominion Bank that appears on the Reuters Screen CDOR Page as of 10:00 A.M. (Toronto time) on such day (or, if such day is not a Business Day, as of 10:00 A.M. on the next preceding Business Day), provided that if fewer than two such bid rates appear on the Reuters Screen CDOR Page as of such time on such day, CDOR for such day will be the arithmetic average of the bid rates of interest (expressed as an annual percentage rate and rounded as set forth above) for Canadian Dollar bankers' acceptances, with a term to maturity equal to such specified term (or a term as closely as possible comparable to such specified term) for same day settlement as quoted by such of the principal Toronto offices of Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada, The Bank of Nova Scotia and The Toronto-Dominion Bank as may quote such a rate as of 10:00 A.M. (Toronto time) on such day as determined by the Administrative Agent.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as the same may be amended from time to time, 42 U.S.C. § 9601 et seq.

"Change of Control" shall mean (i) HMC shall at any time cease to own 100% of the general partnership interests of the U.S. Borrower, (ii) any Person or group (as such term is defined in Section 13(d)(3) of the Securities Exchange Act) other than an Excluded Person is or becomes the "beneficial owner," directly or indirectly, of more than 50% of the total voting power in the aggregate of all classes of Relevant Capital Stock of the U.S. Borrower (or HMC for so long as HMC is a parent of the U.S. Borrower immediately prior to such transaction or series of related transactions) then outstanding normally entitled to vote in elections of directors, managers or trustees, as applicable, (iii) during any period of 12 consecutive months after the Effective Date (for so long as HMC is a parent of the U.S. Borrower immediately prior to such transaction or series of related transactions), Persons who at the beginning of such 12-month period constituted the board of HMC (together with any new Persons whose election was approved by a vote of a majority of the Persons then still comprising the board who were either members of the board at the beginning of such period or whose election, designation or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of HMC then in office or (iv) any "change of control" or similar event shall occur under any Qualified Preferred Stock, the Senior Notes or any other Indebtedness (other than Non-Recourse Indebtedness) of HMC or the U.S. Borrower with an aggregate principal amount of $50,000,000 or more which results in a default under such Indebtedness beyond the period of grace (if any) or a declaration of such Indebtedness to be due and payable prior to the scheduled maturity thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to the Code are to the Code, as in effect at the date of this Agreement and any subsequent provisions of the Code, amendatory thereof, supplemental thereto or substituted therefor.

"Collateral" shall mean all "Collateral" as defined in the Pledge and Security Agreement or any other Security Document and all cash and Cash Equivalents delivered as collateral pursuant to Section 3, 5.02 or 12.

"Collateral Agent" shall mean the Administrative Agent acting as collateral agent for the Secured Creditors pursuant to the Pledge and Security Agreement.

"Collateral Release Date" shall have the meaning provided in Section 10.15(d).

"Commitment" shall mean any of the commitments of any Lender.

"Commitment Commission" shall have the meaning provided in Section 4.01(a).

"Consolidated" or "consolidated" shall mean, with respect to any Person, the consolidation of the accounts of the Subsidiaries of such Person with those of such Person; provided that "consolidation" will not include consolidation of the accounts of any other Person other than a Subsidiary of such Person with such Person (it being understood that the accounts of such Person's Consolidated Subsidiaries shall be consolidated only to the extent of such Person's

proportionate interest therein). The terms "consolidated" and "consolidating" have correlative meanings to the foregoing.

"Consolidated EBITDA" shall mean, for any Person and for any period on a Pro Forma Basis, the Consolidated Net Income of such Person for such period adjusted to add thereto (to the extent deducted from net revenues in determining Consolidated Net Income), without duplication, (A) the sum of (i) Consolidated Interest Expense, (ii) provisions for taxes based on income (to the extent of such Person's proportionate interest therein), (iii) depreciation and amortization expense (to the extent of such Person's proportionate interest therein), (iv) any other noncash items reducing the Consolidated Net Income of such Person for such period (to the extent of such Person's proportionate interest therein), (v) any dividends or distributions during such period to such Person or a Consolidated Subsidiary of such Person (to the extent of such Person's proportionate interest therein) from any other Person which is not a Subsidiary of such Person or which is accounted for by such Person by the equity method of accounting, to the extent that such dividends or distributions are not included in the Consolidated Net Income of such Person for such period and (vi) any cash receipts of such Person or a Consolidated Subsidiary of such Person (to the extent of such Person's proportionate interest therein) during such period that represent items included in Consolidated Net Income of such Person for a prior period which were excluded from Consolidated EBITDA of such Person for such prior period by virtue of clause (B) of this definition, minus (B) the sum of (i) all non-cash items increasing the Consolidated Net Income of such Person (to the extent of such Person's proportionate interest therein) for such period and (ii) any cash expenditures of such Person (to the extent of such Person's proportionate interest therein) during such period to the extent such cash expenditures (a) did not reduce the Consolidated Net Income of such Person for such period and (b) were applied against reserves or accruals that constituted noncash items reducing the Consolidated Net Income of such Person (to the extent of such Person's proportionate interest therein) when reserved or accrued; all as determined on a consolidated basis for such Person and its Consolidated Subsidiaries (it being understood that the accounts of such Person's Consolidated Subsidiaries shall be consolidated only to the extent of such Person's proportionate interest therein).

"Consolidated Fixed Charge Coverage Ratio" shall mean, for any period, the ratio of (x) Consolidated EBITDA for such period, less the sum for such period of (a) 5% of Gross Revenues received from Hotel Properties and (b) 3% of Gross Revenues received from all other real estate to (y) Consolidated Fixed Charges for such period.

"Consolidated Fixed Charges" shall mean, for any period, the sum of (i) Consolidated Interest Expense for such period, (ii) to the extent that same does not otherwise constitute Consolidated Interest Expense, all interest expense on the QUIPs Debt for such period on a Pro Forma Basis, (iii) preferred stock dividends (or the equivalent thereof) accrued and/or paid in cash by the U.S. Borrower during such period on a Pro Forma Basis, (iv) scheduled amortization payments (other than balloon payments) during such period and (v) cash taxes on ordinary income for such period.

"Consolidated Interest Coverage Ratio" shall mean, for any period, the ratio of (x) Consolidated EBITDA for such period to (y) Consolidated Interest Expense.

"Consolidated Interest Expense" of any Person shall mean, for any period on a ProForma Basis, the aggregate amount (without duplication and determined in each case on a consolidated basis) of (a) interest expensed or capitalized, paid, accrued, or scheduled to be paid or accrued (including, in accordance with the following sentence, interest attributable to Capitalized Lease Obligations but excluding (x) the amortization of fees or expenses incurred in order to consummate the sale of the Senior Notes or to establish the credit facility implemented under this Agreement, (y) any interest expense on the QUIPs Debt unless the principal of the QUIPs Debt has become due and payable and has not been paid, and (z) amounts attributable to the prepayment of Indebtedness (including prepayment premiums) and acceleration of deferred financing costs), of such Person and its Consolidated Subsidiaries during such period, including (i) original issue discount and noncash interest payments or accruals on any Indebtedness, (ii) the interest portion of all deferred payment obligations, and (iii) all commissions, discounts and other fees and charges owed with respect to bankers' acceptances and letter of credit financings and Interest Rate Protection Agreements and Other Hedging Agreements, in each case to the extent attributable to such period, and (b) dividends accrued or payable by such Person or any of its Consolidated Subsidiaries in respect of Disqualified Stock (other than by Subsidiaries of such Person to such Person or, to the extent of such Person's proportionate interest therein, such Person's Subsidiaries); provided, however, that any such interest, dividends or other payments or accruals (referenced in clauses (a) or (b)) of a Consolidated Subsidiary that is not a Wholly-Owned Subsidiary shall be included only to the extent of the proportionate interest of the referent Person in such Consolidated Subsidiary. For purposes of this definition, (x) interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by the U.S. Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP, and (y) interest expense attributable to any Indebtedness represented by the guaranty by such Person or a Subsidiary of such Person of an obligation of another Person shall be deemed to be the interest expense attributable to the Indebtedness guaranteed.

"Consolidated Net Income" shall mean, with respect to any Person for any period, the net income (or loss) of such Person and its Consolidated Subsidiaries for such period, determined on a consolidated basis (it being understood that the net income of Consolidated Subsidiaries shall be consolidated with that of a Person only to the extent of the proportionate interest of such Person in such Consolidated Subsidiaries); provided that (i) net income (or loss) of any other Person which is not a Subsidiary of the Person, or that is accounted for by such specified Person by the equity method of accounting, shall be included only to the extent of the amount of dividends or distributions paid to the specified Person or a Subsidiary of such Person, (ii) the net income (or loss) of any other Person acquired by such specified Person or a Subsidiary of such Person in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded, (iii) all gains and losses which are (x) extraordinary (as determined in accordance with GAAP), (y) unusual or nonrecurring (including any gain from the sale or other disposition of assets or from the issuance or sale of any Capital Stock) or (z) resulting from the prepayment of Indebtedness (including prepayment premiums) and acceleration of deferred financing costs shall be excluded, and (iv) the net income, if positive, of any of such Person's Consolidated Subsidiaries other than Consolidated Subsidiaries that are not Guarantors to the extent that the declaration or payment of dividends or similar distributions is not at the time permitted by operation of the terms of its charter or bylaws or any other agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Consolidated Subsidiary shall be excluded; provided, however, in the case of

exclusions from Consolidated Net Income set forth in clauses (ii), (iii) and (iv), such amounts shall be excluded only to the extent included in computing such net income (or loss) on a consolidated basis and without duplication; provided, further, that Consolidated Net Income for any period shall be increased by the amount of any insurance proceeds in respect of any Hotel Property or other Real Property received by the U.S. Borrower or any of its Subsidiaries for business interruption or time element losses for such period to the extent that such Insurance Proceeds have not already been included in the computation of such Consolidated Net Income for such period.

"Consolidated Total Debt" shall mean, at any time, the difference, if positive, of (x) the sum of (without duplication) (i) the amount of all Indebtedness of the U.S. Borrower and its Subsidiaries (other than the QUIPs Debt unless the principal thereof has become due and payable and has not been paid) as would be required to be reflected on the liability side of a balance sheet prepared in accordance with GAAP and determined on a consolidated basis at such time (it being understood that the amounts of Indebtedness of Subsidiaries shall be consolidated with that of the U.S. Borrower only to the extent of the U.S. Borrower's interest in such Subsidiaries) and (ii) guarantees of third party debt, letters of credit issued to support third party debt and secured obligations in favor of hotel managers in connection with jointly funded hotel renovations, less (y) the sum of (i) unrestricted cash on hand (excluding any amounts of cash on hand that have been designated by the U.S. Borrower for application to prepay Indebtedness described in clause (y)(iii)) in excess of $100,000,000 plus (ii) the Leisure Park Guarantee Exclusion Amount plus (iii) any Indebtedness outstanding on the date of determination in respect of which an irrevocable prepayment notice has been delivered that results in such Indebtedness being due and payable not later than 30 days after such prepayment notice, to the extent the U.S. Borrower either shall have unrestricted cash reserves for such payment or shall have committed cash reserves for such payment pursuant to a deposit arrangement or otherwise.

"Contingent Obligation" shall mean any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services (unless such purchase arrangements are on arm's-length terms and are entered into in the ordinary course of business), to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term "Contingent Obligation" shall not include endorsements for collection or deposit in the ordinary course of business or, for all purposes of this Agreement other than determining compliance with Section 11.02(ii) or computing the Applicable Margin with respect to any Revolving Loan, the Leisure Park Guarantee Exclusion Amount; provided, further, that if the U.S. Borrower or a Subsidiary has received a letter of credit or other similar credit support from a bank or a Person with a long term unsecured credit rating of at least "BBB-" or higher from S&P or "Baa" from Moody's (or, if not from a Person that has a rating, a Person that, in the sole discretion of the Required Lenders, is capable of performing and will perform its obligations under such credit support) or cash collateral in which the U.S. Borrower or such Subsidiary has a first priority perfected security interest and which is immediately

available to the U.S. Borrower or such Subsidiary in the event of a payment by it under the related Contingent Obligation (or cash collateral has been deposited with the obligee (or a trustee for such obligee) under such Contingent Obligation under similar circumstances, including a defeasance trust), the amount of the Contingent Obligation shall be reduced by the amount payable under such letter of credit or other similar credit support but only so long as such letter of credit or other similar credit support or cash collateral remains in effect and meets such requirements or such Person providing the credit support satisfies such criteria.

"Contractual Obligation" of any Person means any obligation, agreement, undertaking or similar provision of any security issued by such Person or of any agreement (including. without limitation, any management or franchise agreement), undertaking, contract, lease, indenture, mortgage, deed of trust or other instrument (excluding a Credit Document) to which such Person is a party or by which it or any of its property is bound or to which any of its properties is subject.

"Covenant Amendment Effective Date" shall mean the date specified in a certificate delivered by an Authorized Officer of the U.S. Borrower to the Administrative Agent as the date on which (a) the amendments in the U.S. Borrower's Twelfth Supplemental Indenture became the most restrictive covenants relating to Indebtedness issued under the Senior Note Indenture, and (b) as of such specified date no Default or Event of Default has occurred and is continuing (other than solely as a result of a breach of covenants to the extent that such breach will no longer exist under this Agreement after giving effect to the modification of any covenants hereunder (including any such covenants incorporated by reference) resulting from the occurrence of the Covenant Amendment Effective Date). In the event that the U.S. Borrower is not able to make the certification set forth in clause (a) above as a result of the existence of a supplemental indenture delivered subsequent to the date of the Twelfth Supplemental Indenture that contains certain covenants that are more restrictive than covenants included in the Twelfth Supplemental Indenture, (i) the U.S. Borrower may, in lieu of making the certification set forth in clause (a) above, deliver a certificate describing such more restrictive covenants in reasonable detail and certifying that, except for such specified covenants, the covenants contained in the Twelfth Supplemental Indenture constitute the most restrictive covenants relating to indebtedness issued under the Senior Note Indenture. In such event, the Required Lenders shall, within 30 days after receipt of the certification, at their election, determine whether the covenants set forth in the Twelfth Supplemental Indenture or in such later supplemental indenture shall take effect as the Amended Senior Note Indenture. In the event no election is made by the Required Lenders, the Amended Senior Note Indenture shall be deemed to be the Senior Note Indenture giving effect to the amendments set forth in such more restrictive supplemental indenture.

"Credit Documents" shall mean this Agreement and, after the execution and delivery thereof pursuant to the terms of this Agreement, each Revolving Note, each Bankers' Acceptance, the Subsidiaries Guaranty, the Pledge and Security Agreement and any other guaranties, pledge agreements or additional security documents executed and delivered in accordance with the requirements of Section 10.14 or 10.15.

"Credit Event" shall mean the making of any Revolving Loan or the issuance of any Letter of Credit. For clarity, it does not include continuations of Borrowings or conversions

of outstanding Revolving Loans from (a) one Type to another or (b) one Tranche to another, in each case except to the extent additional Borrowings are made.

"Credit Party" shall mean each Borrower and each Guarantor.

"Credit Party Subsidiary" shall mean each Person which is a Subsidiary of any Credit Party.

"Customary Non-Recourse Exclusions" shall mean usual and customary exceptions and non-recourse carve-outs in non-recourse debt financings of Real Property and other carve-outs appropriate in the good faith determination of the U.S. Borrower to the financing, including, without limitation, exceptions by reason of (i) any fraudulent misrepresentation made by the U.S. Borrower or any of its Subsidiaries in or pursuant to any document evidencing any Indebtedness, (ii) any unlawful act on the part of the U.S. Borrower or any of its Subsidiaries in respect of the Indebtedness or other liabilities of any Subsidiary of the U.S. Borrower, (iii) any waste or misappropriation of funds by the U.S. Borrower or any of its Subsidiaries in contravention of the provisions of the Indebtedness or other liabilities of any Subsidiary, (iv) customary environmental indemnities associated with the Real Property of any Subsidiary of the U.S. Borrower, (v) voluntary bankruptcy, or (vi) failure of the U.S. Borrower or any of its Subsidiaries to comply with applicable special purpose entity covenants but excluding exceptions by reason of (a) non-payment of the debt incurred in such non-recourse financing, (b) non-payment of such debt arising out of the voluntary bankruptcy of the relevant Subsidiary of the U.S. Borrower or (c) the failure of the relevant Subsidiary of the U.S. Borrower to comply with financial covenants.

"DBTCA" shall mean Deutsche Bank Trust Company Americas in its individual capacity.

"Default" shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Defaulting Lender" shall mean any Lender with respect to which a Lender Default is in effect.

"Determination Date" shall have the meaning provided in the definition of "Pro Forma Basis".

"Discount Rate" shall mean, as at any Drawing Date, the discount rate, expressed as a rate per annum, which the Administrative Agent determines (i) in the case of a Canadian Lender which is named in Schedule I to the *Bank Act* (Canada), as CDOR for such Drawing Date, and (ii) in the case of a Canadian Lender which is named in Schedule II or III to the *Bank Act* (Canada), as the discount rate (expressed to two decimal places and rounded upward, if not an increment of $1/100^{th}$ of 1%, the nearest 0.01%) quoted by such Canadian Lender as the percentage discount rate at which such Canadian Lender would, in accordance with its normal practice, at or about 10:00 A.M. (Toronto time) on such date, be prepared to purchase bankers' acceptances having a face amount and term comparable to the Face Amount and term of such Bankers' Acceptance, provided however that no Discount Rate calculated pursuant to this clause

(ii) shall exceed the Discount Rate calculated pursuant to clause (i) above in respect of the same issue of Bankers' Acceptances plus 0.10% per annum.

"Disqualified Stock" shall have the meaning provided in the Governing Senior Note Indenture.

"Dividends" with respect to any Person shall mean that such Person has declared or paid a dividend or returned any equity capital to its stockholders, partners or members or authorized or made any other distribution, payment or delivery of property (other than common stock or other common equity interests of such Person or Qualified Preferred Stock of HMC or the U.S. Borrower) or cash to its stockholders, partners or members in their capacity as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for a consideration any shares of any class of its capital stock or any other equity interests outstanding on or after the Effective Date (or any options or warrants issued by such Person with respect to its capital stock or other equity interest), or set aside any funds for any of the foregoing purposes, or shall have permitted any of its Subsidiaries to purchase or otherwise acquire for consideration any shares of any class of the capital stock or any partnership interests of such Person outstanding on or after the Effective Date (or any options or warrants issued by such Person with respect to its capital stock or other equity interest).

"Dollar Equivalent" of an amount denominated in Canadian Dollars shall mean, at any time for the determination thereof, the amount of Dollars which could be purchased with the amount of Canadian Dollars involved in such computation at the spot exchange rate therefor as quoted by the Person serving as the Administrative Agent as of 11:00 A.M. (New York time) on the date two Business Days prior to the date of any determination thereof for purchase on such date; provided that (1) for purposes of Section 2.17, the Dollar Equivalent of any amount expressed in Canadian Dollars shall be the amount of Dollars that the Administrative Agent determines, based upon the actual exchange rates which the Administrative Agent believes can be obtained on the date of conversion pursuant to Section 2.17, would be required to be paid in Dollars to purchase such amount of Canadian Dollars and (2) for purposes of (x) determining compliance with Sections 2.01, 3.02(a), 5.02(a)(i), 5.02(a)(ii) and 5.02(a)(iii) and (y) calculating Fees pursuant to Section 4.01, the Dollar Equivalent of any amounts expressed in Canadian Dollars shall be revalued on a quarterly basis on each Canadian Facility Valuation Date using the spot exchange rate therefor quoted in the Wall Street Journal on such date; provided that, at any time during a calendar quarter, if the full principal amount of Canadian Revolving Loans (including, without limitation, the Face Amount of Banker's Acceptances) permitted to be incurred pursuant to this Agreement (i.e., up to the full amount of the respective Canadian Dollar Revolving Loan Sub-Commitments as then in effect) were incurred, and if the Dollar Equivalent as recalculated based on the exchange rate therefor quoted in the Wall Street Journal on the respective date of determination pursuant to this exception would result in an increase in the Dollar Equivalent as then in effect of such amounts of 10% or more, then at the discretion of the Administrative Agent or at the request of the Required Lenders, the Dollar Equivalent shall be reset based upon the exchange rates quoted on such date in the Wall Street Journal, which rates shall remain in effect until the last Business Day of such calendar quarter or such earlier date, if any, as the rate is reset pursuant to this proviso. Notwithstanding anything to the contrary contained in this definition, at any time that a Specified Default or an Event of Default then exists, the Administrative Agent may revalue the Dollar Equivalent of any amounts outstanding

under the Credit Documents in Canadian Dollars at such times as it may determine in its sole discretion.

"Dollar Percentage" of any Lender at any time shall mean a fraction (expressed as a percentage) the numerator of which is the U.S. Revolving Loan Sub-Commitment of such Lender at such time and the denominator of which is the Total U.S. Revolving Loan Sub-Commitment at such time. Notwithstanding anything to the contrary contained above, if the Dollar Percentage of any Lender is to be determined after the Total Revolving Loan Commitment has been terminated, then the Dollar Percentages of the Lenders shall be determined immediately prior (and without giving effect) to such termination.

"Dollar Revolving A Loan" shall have the meaning provided in Section 2.01(a).

"Dollar Revolving B Loan" shall have the meaning provided in Section 2.01(b).

"Dollar Revolving Loan" means a Dollar Revolving A Loan or a Dollar Revolving B Loan, as applicable.

"Dollar Revolving Note" shall have the meaning provided in Section 2.06(a).

"Dollars" and the sign "$" shall each mean freely transferable lawful money of the United States.

"Domestic Subsidiary" shall mean each Subsidiary of the U.S. Borrower incorporated or organized in the United States or any State or territory thereof.

"Draft" shall mean at any time either a depository bill within the meaning of the Depository Bills and Notes Act (Canada) or a bill of exchange, within the meaning of the Bills of Exchange Act (Canada), drawn by any Canadian Revolving Loan Borrower on a Canadian Lender and bearing such distinguishing letters and numbers as such Canadian Lender may determine, but which at such time has not been completed or accepted by such Canadian Lender.

"Drawing" shall have the meaning provided in Section 3.05(c).

"Drawing Date" shall mean any Business Day fixed pursuant to Schedule III for the creation and purchase of Bankers' Acceptances by a Canadian Lender pursuant to Schedule III.

"Effective Date" shall have the meaning provided in Section 14.09.

"Eligible Transferee" shall mean and include a commercial bank, a financial institution, any fund that invests in bank loans and any other "accredited investor" (as defined in Regulation D under the Securities Act).

"End Date" shall mean, for any Margin Reduction Period, the last day of such Margin Reduction Period.

"Environmental Claims" shall mean any and all administrative, regulatory or judicial actions, suits, demands, demand letters, directives, claims, liens, notices of noncompliance or violation, investigations or proceedings arising under any Environmental Law or any permit issued under any Environmental Law (hereafter, "Claims"), including, without limitation, (a) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief arising from alleged injury to human health, safety or the environment due to the presence of Hazardous Materials.

"Environmental Law" shall mean any applicable Federal, state, foreign or local statute, law, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy and rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment or relating to Hazardous Materials, including, without limitation, CERCLA; RCRA; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 3803 et seq.; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq.; the Emergency Planning and the Community Right-to-Know Act of 1986, 42 U.S.C. § 11001 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq. and the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq. (to the extent it regulates occupational exposure to Hazardous Materials); and any state and local or foreign counterparts or equivalents, in each case as amended 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 rulings issued thereunder. Section references to ERISA are to ERISA, as in effect at the date of this Agreement and any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

"ERISA Affiliate" shall mean each person (as defined in Section 3(9) of ERISA) which together with the U.S. Borrower or a Subsidiary of the U.S. Borrower would be deemed to be a "single employer" within the meaning of Section 414(b) or (c) or, for purposes of Section 412 of the Code, Section 414(m) or (o) of the Code.

"Eurodollar Business Day" shall mean a Business Day on which commercial banks in London, England and Frankfurt, Germany are open for domestic and international business.

"Eurodollar Loan" shall mean each Dollar Revolving Loan designated as such by the U.S. Borrower at the time of the incurrence thereof or conversion thereto.

"Eurodollar Rate" shall mean, with respect to any Eurodollar Loan for the Interest Period applicable to such Eurodollar Loan, the rate per annum that is obtained by dividing (a) (i) the rate per annum for such Interest Period and for an amount equal to the amount of such

Eurodollar Loan shown on Dow Jones Telerate Page 3750 (or any equivalent successor page) at approximately 11:00 A.M. (London time) two Eurodollar Business Days prior to the first day of such Interest Period, (ii) in the event the rate referenced in the preceding clause (i) is not quoted, the arithmetic average as determined by the Administrative Agent of the rates at which deposits in immediately available Dollars in an amount equal to the amount of such Eurodollar Loan having a maturity approximately equal to such Interest Period are offered to four reference banks to be selected by the Administrative Agent in the London interbank market, at approximately 11:00 A.M. (London time) two Eurodollar Business Days prior to the first day of such Interest Period, by (b) a percentage equal to 100% minus the then stated maximum rate of all reserve requirements (including, without limitation, any marginal, emergency, supplemental, special or other reserves required by applicable law) applicable to any member bank of the Federal Reserve System in respect of Eurocurrency funding or liabilities as defined in Regulation D (or any successor category of liabilities under Regulation D).

"Event of Default" shall have the meaning provided in Section 12.

"Excess Proceeds" shall have the meaning provided in Section 5.02(b).

"Excess Usage Amount" means, as of any determination date, the amount by which the Aggregate Revolving A Credit Exposure exceeds the availability limitation in effect under Section 2.01(a)(vii) on such date.

"Excess Usage Premium" shall mean the respective percentage per annum set forth below opposite the respective Excess Usage Amount.

Excess Usage Amount	Excess Usage Premium
Less than or equal to $100,000,000	0.25%
Greater than $100,000,000 but equal to or less than $200,000,000	0.50%
Greater than $200,000,000 but equal to or less than $300,000,000	0.75%
Greater than $300,000,000	1.00%

"Excluded Person" shall mean, in the case of the U.S. Borrower, HMC or any Wholly-Owned Subsidiary of HMC.

"Exempted Affiliate Transactions" shall have the meaning provided in Section 11.07.

"Existing Indebtedness" shall have the meaning provided in Section 8.20.

"Face Amount" shall mean, in respect of a Bankers' Acceptance, the amount payable to the holder thereof on its maturity. The Face Amount of any Bankers' Acceptance Loan shall be equal to the Face Amounts of the underlying Bankers' Acceptances.

"Facing Fee" shall have the meaning provided in Section 4.01(c).

"Federal Funds Rate" shall mean, for any period, a fluctuating interest rate equal for each day during such period to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal Funds brokers of recognized standing selected by the Administrative Agent.

"Fees" shall mean all amounts payable pursuant to or referred to in Section 4.01.

"FF&E" shall mean, with respect to any Hotel Property, any furniture, fixtures and equipment, including any beds, lamps, bedding, tables, chairs, sofas, curtains, carpeting, smoke detectors, mini bars, paintings, decorations, televisions, telephones, radios, desks, dressers, towels, bathroom equipment, heating, cooling, lighting, laundry, incinerating, loading, swimming pool, landscaping, garage and power equipment, machinery, engines, vehicles, fire prevention, refrigerating, ventilating and communications apparatus, carts, dollies, elevators, escalators, kitchen appliances, restaurant equipment, computers, reservation systems, software, cash registers, switchboards, cleaning equipment or other items of furniture, fixtures and equipment typically used in hotel properties (including furniture, fixtures and equipment used in guest rooms, lobbies and common areas (other than those items of furniture, fixtures and equipment owned by the occupant or tenant in any such room)).

"Final Proceeds Application Date" shall have the meaning set forth in Section 5.02(c).

"Financial Condition Test" shall mean, with respect to any acquisition, Investment or issuance of capital stock, the requirement that at the time of such acquisition, Investment or issuance of capital stock (a) no Specified Default or Event of Default then exists or would result therefrom and, (b) based on calculations made by the U.S. Borrower on a Pro Forma Basis after giving effect to such acquisition, Investment or issuance of capital stock and as if such acquisition, Investment or issuance of capital stock had occurred on the first day of the respective Calculation Period, no Default or Event of Default will exist in respect of, or would have existed during the Test Period last reported (or required to be reported pursuant to Section 10.11(a) or 10.11(b), as the case may be) prior to the date of the respective acquisition, Investment or issuance of capital stock in respect of, the financial covenants contained in Sections 9.01 through 9.03, inclusive.

"Foreign Pension Plan" shall mean any plan, fund (including, without limitation, any superannuation fund) or other similar program established or maintained outside the United States by any Borrower or any one or more of its Subsidiaries primarily for the benefit of

employees of such Borrower or such Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code and which Plan, fund or similar program could result in liability or other obligation or lien to any Borrower, any Subsidiary of any Borrower or any ERISA Affiliate.

"Foreign Subsidiary" shall mean each Subsidiary of the U.S. Borrower other than a Domestic Subsidiary.

"Franchise Agreements" shall mean all franchise or similar agreements entered into with respect to a Hotel Property.

"GAAP" shall mean (A) except as provided in clause (B), generally accepted accounting principles in the United States of America as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entity as may be in general use by significant segments of the accounting profession, which are in effect on the Effective Date and consistent with those used in the preparation of the audited consolidated financial statements of the U.S. Borrower and its Subsidiaries referred to in Section 8.05(a), and (B) in the case of any computations made under Section 5.02(b), 9.04, 11.10(b) (other than the computation of the Leverage Ratio) and 11.11(b) (other than the computation of the Leverage Ratio) means generally accepted accounting principles in the United States of America as in effect as of August 5, 1998, including, without limitation, those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession in the United States of America.

"Governing Senior Note Indenture" shall mean (a) initially, the Senior Note Indenture and (b) upon and after the occurrence of the Covenant Amendment Effective Date, the Amended Senior Note Indenture.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof and any entity duly exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Gross Revenues" shall mean all revenues and receipts of every kind derived by U.S. Borrower and its Consolidated Subsidiaries from operating a Hotel Property or other real estate and parts thereof (it being understood that the revenues and receipts of Consolidated Subsidiaries shall be included in the Gross Revenues of a Person only to the extent of the proportionate interest of such Person in such Consolidated Subsidiaries), including, but not limited to: income (from both cash and credit transactions), before commissions and discounts for prompt or cash payments, from rentals or sales of rooms, stores, offices, meeting space, exhibit space or sales space of every kind; license, lease and concession fees and rentals (not including gross receipts of licensees, lessees and concessionaires); net income from vending

machines; health club membership fees; food and beverage sales; sales of merchandise (other than proceeds from the sale of FF&E no longer necessary to the operation of such Hotel Property or other real estate); service charges, to the extent not distributed to the employees at such Hotel Property or other real estate as, or in lieu of, gratuities; and proceeds, if any, from business interruption or other loss of income insurance; provided, however, that Gross Revenues shall not include the following: gratuities to employees of such Hotel Property or other real estate, federal, state or municipal excise, sales, use or similar taxes collected directly from tenants, patrons or guests or included as part of the sales price of any goods or services; insurance proceeds (other than proceeds from business interruption or other loss of income insurance); condemnation proceeds; or any proceeds from any sale of such Hotel Property or other real estate.

"Guarantor" shall mean and include (i) the U.S. Borrower and (ii) each Subsidiary of the U.S. Borrower which executes and delivers the Subsidiaries Guaranty, or a counterpart thereof, as required by Section 10.15 or any other provision of this Agreement; provided that any such Subsidiary shall cease to be a Guarantor at such time, if any, as it is released from the Subsidiaries Guaranty in accordance with the express provisions hereof and thereof. As of the Effective Date, the Guarantors are listed in Part I of Schedule IV.

"Guaranty" shall have the meaning provided in Section 16.04.

"Hazardous Materials" shall mean (a) any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing regulated levels of polychlorinated biphenyls, and radon gas; and (b) any chemicals, materials or substances defined as or included in the definitions of "hazardous substances," "hazardous waste," "hazardous materials," "extremely hazardous substances," "restricted hazardous waste," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, which are regulated under any applicable Environmental Law.

"HMC" shall mean Host Marriott Corporation, a Maryland corporation.

"Hotel" shall mean any Real Property (including Improvements thereon and any retail, golf, tennis, spa or other resort amenities appurtenant thereto) comprising an operating facility offering hotel or lodging services.

"Hotel Business" shall mean the hotel, resort, extended stay lodging, other hospitality business, and any and all businesses that in the good faith judgment of the board of directors of HMC are materially related businesses.

"Hotel Property" shall mean each Hotel owned or leased by the U.S. Borrower or any of its Subsidiaries (including the furniture, fixture and equipment thereon).

"Improvements" shall mean all buildings, structures, fixtures, tenant improvements and other improvements of every kind and description now or hereafter located in or on or attached to any Real Property, including all building materials, water, sanitary and storm sewers, drainage, electricity, steam, gas, telephone and other utility facilities, parking areas,

roads, driveways, walks and other site improvements; and all additions and betterments thereto and all renewals, substitutions and replacements thereof.

"Indebtedness" shall mean, as to any Person, without duplication (i) all liabilities and obligations, contingent or otherwise, of such Person, (a) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), (b) evidenced by bonds, notes, debentures or similar instruments, (c) representing the balance deferred and unpaid of the purchase price of any property or services, except those incurred in the ordinary course of its business that would constitute ordinarily a trade payable to trade creditors, (d) evidenced by bankers' acceptances, (e) for the payment of money relating to a Capitalized Lease Obligation, or (f) evidenced by a letter of credit or a reimbursement obligation of such Person with respect to any letter of credit; (ii) all net obligations of such Person under any Interest Rate Protection Agreement or Other Hedging Agreement or under any similar type of agreement or arrangement; and (iii) all liabilities and obligations of others of the kind described in the preceding clause (i) or (ii) that such Person has guaranteed or that is otherwise its legal liability or which are secured by any assets or property of such Person.

"Interest Determination Date" shall mean, with respect to any Eurodollar Loan, the second Business Day prior to the commencement of any Interest Period relating to such Eurodollar Loan.

"Interest Period" shall have the meaning provided in Section 2.10.

"Interest Rate Protection Agreement" shall mean any interest rate swap agreement, interest rate cap agreement, interest collar agreement, interest rate hedging agreement or other similar agreement or arrangement.

"Investment" shall mean, with respect to any Person, any direct or indirect advance, loan or other extension of credit (including without limitation by way of Contingent Obligation or similar arrangement, but excluding advances to customers in the ordinary course of business that are, in conformity with GAAP, recorded as accounts receivable on the consolidated balance sheet of the U.S. Borrower and its Subsidiaries) or capital contribution to (by means of any transfer of cash or other property (tangible or intangible) to others or any payment for property or services solely for the account or use of others, or otherwise), or any purchase or acquisition of Capital Stock, bonds, notes, debentures or other similar instruments issued by, such Person.

"IRS" means the Internal Revenue Service, or any successor thereto.

"Issuing Bank" shall mean DBTCA.

"Judgment Currency" shall have the meaning provided in Section 14.18.

"Judgment Currency Conversion Date" shall have the meaning provided in Section 14.18.

"L/C Supportable Obligations" shall mean obligations of the U.S. Borrower or any of its Subsidiaries incurred in the ordinary course of business and which do not violate the applicable provisions, if any, of this Agreement.

"Leaseholds" of any Person means all the right, title and interest of such Person as lessee or licensee in, to and under leases or licenses of land, improvements and/or fixtures.

"Leisure Park Guarantee" shall mean the Guaranty Agreement dated as of December 1, 1997 by HMC in favor of Marine Midland Bank, as trustee, relating to the $14,700,000 Revenue Bonds (Leisure Park Project), Series 1997A.

"Leisure Park Guarantee Exclusion Amount" shall mean up to $14,700,000 of obligations constituting the Leisure Park Guarantee to the extent that such obligations are the subject of an undisputed indemnity by Barceló Crestline Corporation in favor of the U.S. Borrower that is backed by an indemnity from Senior Housing Properties Trust (but only for such time as Senior Housing Properties Trust has a long term unsecured non credit-enhanced rating of at least "Ba2" or higher from Moody's and "BB" or higher from S&P and the beneficiary of the Leisure Park Guarantee is not entitled to demand payment thereunder pursuant to the second paragraph of Section 1 thereof).

"Lender" shall mean each financial institution listed on Schedule I-A, as well as any Person which becomes a "Lender" hereunder pursuant to Section 2.14, 2.16 or 14.03(b). Unless the context otherwise requires, each reference in this Agreement to a Lender includes each Canadian Lender and, if the reference is to a specific Lender which has a Revolving Loan Commitment hereunder, shall include references to any Affiliate of any such Lender which is acting as a Canadian Lender.

"Lender Default" shall mean (i) the wrongful refusal (which has not been retracted) or the failure of a Lender to make available its portion of any Borrowing or to fund its portion of any unreimbursed payment under Section 3.04(c) or to purchase participating interests in Revolving Loans under Section 2.17 or 2.18, or (ii) a Lender having notified in writing any Borrower and/or the Administrative Agent that such Lender does not intend to comply with its obligations under Section 2.01 or 3 in circumstances where such non-compliance would constitute a breach of such Lender's obligations under the respective Section.

"Letter of Credit" shall have the meaning provided in Section 3.01.

"Letter of Credit A" shall have the meaning provided in Section 3.01.

"Letter of Credit A Outstandings" shall mean, at any time, the sum of (i) the aggregate Stated Amount of all outstanding Letters of Credit A and (ii) the amount of all Unpaid Drawings in respect of Letters of Credit A.

"Letter of Credit B" shall have the meaning provided in Section 3.01.

"Letter of Credit B Outstandings" shall mean, at any time, the sum of (i) the aggregate Stated Amount of all outstanding Letters of Credit B and (ii) the amount of all Unpaid Drawings in respect of Letters of Credit B.

"Letter of Credit Fee" shall have the meaning provided in Section 4.01(b).

"Letter of Credit Outstandings" shall mean, at any time, the sum of (i) Letter of Credit A Outstandings plus (ii) Letter of Credit B Outstandings.

"Letter of Credit Request" shall have the meaning provided in Section 3.03.

"Leverage Ratio" shall mean, at any time, the ratio of (x) Consolidated Total Debt (excluding QUIPs Debt unless the principal thereof has become due and payable and has not been paid) at such time to (y) Consolidated EBITDA for the Test Period then last ended (computed as of the end of such Test Period but on a Pro Forma Basis for events occurring after the end of such Test Period and on or prior to the relevant Determination Date).

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien, privilege, hypothecation, other encumbrance or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to give any security interest) upon or with respect to any property of any kind now owned or hereafter acquired.

"Limited Partner Note" shall mean an existing unsecured note of the U.S. Borrower issued prior to the Effective Date to certain limited partners of a previous public partnership in which HMC or a Subsidiary thereof was a general partner.

"Look-Through Subsidiary" shall mean a Wholly-Owned Subsidiary of the U.S. Borrower that is not recognized as existing and is treated as part of the U.S. Borrower for federal income tax purposes (such as, but not limited to, a single member limited liability company or a partnership in which the sole partners are the U.S. Borrower and/or other Look-Through Subsidiaries).

"Maintenance Capital Expenditures" shall mean, with respect to any Person, any Capital Expenditures made in the ordinary course of business for maintenance or upkeep of the assets of such Person.

"Management Agreements" shall mean all agreements with respect to the management of a Hotel Property or other Real Property owned or leased by the U.S. Borrower or any of its Subsidiaries. With respect to each Hotel Property acquired after the Effective Date, the terms and conditions of the Management Agreement with respect thereto shall be generally consistent with those contained in Management Agreements as in effect on the Effective Date, with any material inconsistencies which could reasonably be expected to adversely affect the U.S. Borrower's ability to repay the Obligations, the rights and remedies of the Lenders under the Credit Documents or, in the U.S. Borrower's reasonable estimation, the ability to comply with the financial covenants contained in Sections 9.01 through 9.03, inclusive, and Section 9.04(b) to be approved by the Administrative Agent, and the manager thereunder shall be a Permitted Facility Manager.

"Majority Canadian Lenders" at any time shall mean those Canadian Lenders which at such time hold a majority of the then Maximum Canadian Dollar Revolving Loan Sub-Commitments.

"Margin Reduction Period" shall mean each period which shall commence on the date occurring after the Effective Date on which the respective officer's certificates are delivered pursuant to Section 10.11(d) (or, if not so delivered, the latest date on which such officer's certificates are required to be delivered) together with the related financial statements pursuant to Section 10.11(a) or 10.11(b), as the case may be and which shall end on the earlier of (i) the date of actual delivery of the next officer's certificates pursuant to Section 10.11(d) (together with the related financial statements) and (ii) the latest date on which the next officer's certificates are required to be delivered pursuant to Section 10.11(d) (together with the related financial statements).

"Margin Regulations" shall mean Regulations T, U and X, collectively.

"Margin Stock" shall have the meaning provided in Regulation U.

"Marriott Family Members" shall mean any of Alice Marriott (deceased), J.W. Marriott, Jr., Richard E. Marriott, any brother or sister of J.W. Marriott, Sr. (deceased), any children or grandchildren of any of the foregoing, any spouses of any of the foregoing, or any trust or other entity established primarily for the benefit of one or more of the foregoing.

"Marriott International" shall mean Marriott International, Inc., a Delaware corporation.

"Material Adverse Change" shall mean a material adverse change in any of (i) the business, operations, property, assets, liabilities or condition (financial or otherwise) of the U.S. Borrower and its Subsidiaries taken as a whole, (ii) the legality, validity or enforceability of the Credit Documents taken as a whole, (iii) the ability of the U.S. Borrower to repay the Obligations or (iv) the rights and remedies of the Lenders or the Agents under the Credit Documents.

"Material Adverse Effect" shall mean an effect that results in or causes, or has a reasonable likelihood of resulting in or causing, a Material Adverse Change.

"Maturity Date" shall mean September 10, 2008, as such date may be extended pursuant to Section 2.04.

"Maximum Canadian Dollar Revolving Loan Sub-Commitment" shall mean, as to any Canadian Lender, the amount, if any, set forth opposite such Canadian Lender's name in Schedule I-B directly below the column entitled "Maximum Canadian Dollar Revolving Loan Sub-Commitment", as same may be (x) permanently reduced from time to time pursuant to Sections 2.17, 2.18(d), 4.02, 5.02 and/or 12 and (y) adjusted from time to time as a result of assignments to or from such Lender pursuant to Section 2.14 or 14.03(b). The Maximum Canadian Dollar Revolving Loan Sub-Commitment of each Canadian Lender is a sub-limit of the Revolving Loan Commitment of the respective Canadian Lender (or its respective affiliate which is a Lender with the related Revolving Loan Commitment) and not an additional commitment and, in no event, may exceed at any time the Revolving Loan Commitment of such Canadian Lender (or its respective affiliate which is a Lender with the related Revolving Loan Commitment).

"Minimum Borrowing Amount" shall mean, for each Type and Tranche of Revolving Loans hereunder, the respective amount specified below:

(i) in the case of a Borrowing of Eurodollar Loans of any Tranche, $5,000,000;

(ii) in the case of a Borrowing of Base Rate Loans of any Tranche, $5,000,000;

(iii) in the case of a Borrowing of Canadian Prime Rate Loans, Cdn $5,000,000; and

(iv) in the case of Bankers' Acceptance Loans, the amount specified in Schedule III.

"Moody's" shall mean Moody's Investors Service, Inc.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA subject to Title IV of ERISA.

"NAIC" shall mean the National Association of Insurance Commissioners.

"Net Cash Proceeds" shall mean (i) with respect to any Asset Sale other than the sale of Capital Stock in a Subsidiary, the proceeds of such Asset Sale in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Cash Equivalents (except to the extent such obligations are financed or sold with recourse to the U.S. Borrower or any of its Subsidiaries) and proceeds from the conversion of other property received when converted to cash or Cash Equivalents, net of (a) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale, (b) provisions for all Taxes (including Taxes of HMC) actually paid or payable as a result of such Asset Sale by the U.S. Borrower and its Subsidiaries, taken as a whole, (c) payments made to repay Indebtedness (other than Indebtedness subordinated in right of payment to the Obligations or a Subsidiaries Guaranty) or any other obligations (other than the Obligations) outstanding at the time of such Asset Sale that either (I) is secured by a Lien on the property or assets sold or (II) is required to be paid as a result of such sale, (d) amounts reserved by the U.S. Borrower and its Subsidiaries against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined on a consolidated basis in conformity with GAAP and (e) unless Taxes thereon are paid by HMC as set forth in clause (b) above, amounts required to be distributed as a result of the realization of gains from Asset Sales in order to maintain or preserve HMC's status as a REIT (provided, however, that with respect to an Asset Sale by any Person other than the U.S. Borrower or a Wholly-Owned Subsidiary, Net Cash Proceeds shall be the above amount multiplied by the U.S. Borrower's direct or indirect percentage ownership interest in such Person) and (ii) with respect to any issuance or sale of any Capital Stock, the proceeds of such issuance or sale in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations (to the

extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Cash Equivalents (except to the extent such obligations are financed or sold with recourse to the U.S. Borrower or any of its Subsidiaries) and proceeds from the conversion of other property received when converted to cash or Cash Equivalents, net of attorney's fees, accountant's fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of tax paid or payable as a result thereof (provided, however, that with respect to an issuance or sale by any Person other than the U.S. Borrower or a Wholly-Owned Subsidiary, Net Cash Proceeds shall be the above amount multiplied by the U.S. Borrower's direct or indirect percentage ownership interest in such Person). Notwithstanding the foregoing, Net Cash Proceeds in respect of any Asset Sale shall be net of any proceeds from such Asset Sale that are designated by the U.S. Borrower to be applied to the voluntary prepayment of Revolving Loans as to which there is a permanent reduction in the Total Revolving Loan Commitment.

"Non-Defaulting Lender" shall mean and include each Lender other than a Defaulting Lender.

"Non-Recourse Indebtedness" shall mean Indebtedness with respect to which recourse for payment is limited to specific assets encumbered by a Lien securing such Indebtedness; provided, however, that personal recourse of a holder of Indebtedness against any obligor with respect thereto for Customary Non-Recourse Exclusions shall not, by itself, prevent any Indebtedness from being characterized as Non-Recourse Indebtedness; provided, further, that if a personal recourse claim is made in connection therewith, only the amount of such claim shall not constitute Non-Recourse Indebtedness for the purpose of this Agreement.

"Notice of Borrowing" shall have the meaning provided in Section 2.03.

"Notice of Conversion" shall have the meaning provided in Section 2.07.

"Notice Office" shall mean the office of the Administrative Agent located at 60 Wall Street, 10th Floor, New York, New York 10005, Attention: Linda Wang, Vice President, or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"Obligation Currency" shall have the meaning provided in Section 14.18.

"Obligations" shall mean all amounts owing to the Administrative Agent, the Syndication Agent, the Collateral Agent or any Lender pursuant to the terms of this Agreement or any other Credit Document, including obligations payable under Section 16.

"Operating Agreements" shall mean the asset or property management agreements, franchise agreements, lease agreements and other similar agreements between the U.S. Borrower, any Guarantor or any of their respective Restricted Subsidiaries, on the one hand, and Marriott International, SLC or another entity engaged in and having pertinent experience with the operation of such similar properties, on the other, relating to the operation of the real estate properties owned by the U.S. Borrower, any Guarantor or any of their respective Restricted Subsidiaries, provided that the management of the U.S. Borrower determines in good faith that such arrangements are fair to the U.S. Borrower and to such Restricted Subsidiary.

"Operating Lease" shall mean a lease or sublease involving the U.S. Borrower or any Subsidiary thereof, as lessor, which lease shall provide for rent payments which in the aggregate with all other existing Operating Leases, provide an economic return to the lessor thereunder generally comparable to the economic returns provided to the lessors from the rent payments under the Operating Leases in existence on the Effective Date. With respect to each Hotel Property acquired after the Effective Date, the terms and conditions of the Operating Lease with respect thereto shall be generally consistent with those contained in Operating Leases as in effect on the Effective Date, with any material inconsistencies which could reasonably be expected to adversely affect the U.S. Borrower's ability to repay the Obligations or the rights and remedies of the Lenders under the Credit Documents or, in the U.S. Borrower's reasonable estimation, the ability to comply with the financial covenants contained in Sections 9.01 through 9.03, inclusive, and Section 9.04(b) to be approved by the Administrative Agent.

"OP Units" shall mean the partnership units of the U.S. Borrower.

"Original Credit Agreement" shall mean the Credit Agreement dated as of June 6, 2002, among, the U.S. Borrower, certain subsidiaries of the U.S. Borrower, various banks and DBTCA, as Administrative Agent, as it may have been modified, supplemented or amended through the Effective Date.

"Other Hedging Agreement" shall mean any foreign exchange contracts, currency swap agreements, commodity agreements or other similar agreements or arrangements designed to protect against fluctuations in currency values.

"Participant" shall have the meaning provided in Section 3.04.

"Payment Office" shall mean (i) in respect of Dollar Revolving Loans, Letters of Credit, Fees and, except as provided in clause (ii) below, all other amounts owing under this Agreement and the other Credit Documents, the office of the Administrative Agent located at 90 Hudson Street, 5th Floor, Jersey City, New Jersey 07302, ABA Number: 021-001-033, Credit to Commercial Loan Division, Account Name: Host Marriott Corporation, Account Number: 99-401-268, Attention: Wendy Williams, and (ii) in respect of Canadian Revolving Loans, Royal Bank of Canada, Toronto, Ontario Canada ROYCCAT2, Account Number: 071720000109 Account Name: Deutsche Bank AG, Canada Branch, Reference: Host Marriott Corporation or in each case such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto provided the Payment Office under clause (ii) shall be located in Canada.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Permit" shall mean any permit, approval, authorization, license, variance, registration, permission or consent required from a Governmental Authority under an applicable Requirement of Law.

"Permitted Facility Manager" shall mean, with respect to each Hotel Property, Marriott International, a Subsidiary of Marriott International, Interstate Hotels Corporation, a Subsidiary of Interstate Hotels Corporation, Hyatt Corporation, a Subsidiary of Hyatt

Corporation, Four Seasons Hotel Limited, a Subsidiary of Four Seasons Hotel Limited, Swissôtel Management (U.S.) LLC, Crestline Capital Corporation, a Subsidiary of Crestline Capital Corporation, Westin Hotels & Resorts, a Subsidiary of Westin Hotels & Resorts, Hilton Hotels Corp., a Subsidiary of Hilton Hotels Corp., Fairmont Hotels & Resorts, a Subsidiary of Fairmont Hotels & Resorts, Barceló Crestline Corporation, a Subsidiary of Barceló Crestline Corporation, Intercontinental Hotels Group, a Subsidiary of Intercontinental Hotels Group (or, in the case of each of the foregoing, a successor thereto (so long as such successor remains a first-class nationally recognized hotel management company)), or another first-class hotel management company in good standing, as determined in the sole discretion of the U.S. Borrower.

"Permitted Investments" shall mean any of the following: (a) Investments in Cash Equivalents, (b) Interest Rate Protection Agreements and Other Hedging Agreements, (c) securities received in connection with an Asset Sale so long as such Asset Sale complied with this Agreement, including Section 11.08, (d) Permitted Mortgage Investments and (e) securities received from or in connection with the sale of FF&E at a Hotel Property to a Subsidiary of the U.S. Borrower that is an Approved Lessee so long as the U.S. Borrower shall have reasonably determined in good faith that such sale is necessary in order to avoid the characterization for tax purposes of any portion of the rent payable under the related Operating Lease as rent not attributable to real property (allowing reasonable margins with respect to applicable limitations).

"Permitted Liens" shall mean any of the following: (i) Liens imposed by governmental authorities for taxes, assessments or other charges where nonpayment thereof is not subject to penalty or which are being contested in good faith and by appropriate proceedings, if adequate reserves with respect thereto are maintained on the books of the U.S. Borrower in accordance with GAAP; (ii) statutory liens of carriers, warehousemen, mechanics, materialmen, landlords, repairmen or other like Liens arising by operation of law in the ordinary course of business, *provided* that (a) the underlying obligations are not overdue for a period of more than 30 days, or (b) such Liens are being contested in good faith and by appropriate proceedings and adequate reserves with respect thereto are maintained on the books of the U.S. Borrower in accordance with GAAP; (iii) Liens securing the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business; (iv) Liens arising by operation of law in connection with judgments, only to the extent, for an amount and for a period not resulting in an Event of Default with respect thereto; and (v) pledges or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security legislation.

"Permitted Mortgage Investment" means an Investment in Indebtedness secured by real estate assets or Capital Stock of Persons (other than the U.S. Borrower or its Subsidiaries) owning such real estate assets; *provided* that (i) the U.S. Borrower is able to consolidate the operations of the real estate assets in its GAAP financial statements, (ii) such real estate assets are owned by a partnership, limited liability company or other entity which is controlled by the U.S. Borrower or a Subsidiary thereof as a general partner, managing member or through similar means, or (iii) the aggregate amount of such Permitted Mortgage Investments (excluding those referenced in clauses (i) and (ii) above), determined at the time each such Investment was made, does not exceed 10% of Adjusted Total Assets after giving effect to such Investment.

"Permitted REIT Subsidiary" shall mean a Wholly-Owned Subsidiary of HMC which engages in no significant business, has no material liabilities and otherwise has no material assets other than (i) equity interests in other Permitted REIT Subsidiaries, (ii) OP Units, (iii) de minimis interests in Subsidiaries of the U.S. Borrower or (iv) de minimis equity interests in Persons other than Subsidiaries of HMC provided that (A) in the case of this clause (iv), Investments in such Persons shall only be made for the purpose of effecting an acquisition by the U.S. Borrower or a Subsidiary thereof permitted under this Agreement and immediately following the consummation of such acquisition the applicable Permitted REIT Subsidiary shall not own any Investment other than those described in clauses (i) through (iii) of this definition and (B) the aggregate value of all Investments described in clauses (iii) and (iv) of this definition at any time outstanding (measured by the book value thereof as of the date each such Investment is made) shall not exceed $10,000,000.

"Permitted Sharing Arrangements" shall mean any contracts, agreements or other arrangements between the U.S. Borrower and/or one or more of its Subsidiaries and HMC and/or one or more other Subsidiaries of HMC, pursuant to which such Persons share centralized services, establish joint payroll arrangements, procure goods or services jointly or otherwise make payments with respect to goods or services on a joint basis, or allocate corporate expenses (other than taxes based on income) (provided that (i) such Permitted Sharing Arrangements are, in the determination of management of the U.S. Borrower, the Guarantors or their Subsidiaries in the best interests of the U.S. Borrower, the Guarantors or their Subsidiaries and (ii) the liabilities of the U.S. Borrower, the Guarantors and their Subsidiaries under such Permitted Sharing Arrangements are determined in good faith and on a reasonable basis).

"Permitted Tax Payments" shall mean payment of any liability of HMC, the U.S. Borrower or any of their respective Subsidiaries for all Federal, state, provincial, local and foreign taxes, and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax, or penalties applicable thereto, imposed by any domestic or foreign governmental authority responsible for the administration of any such taxes.

"Person" shall mean any individual, partnership, joint venture, limited liability company, firm, corporation, association, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof.

"Personal Property" shall mean, for any Person, to the extent owned by such Person, all machinery, equipment, fixtures (including but not limited to all heating, air conditioning, plumbing, lighting, communications, elevator fixtures, inventory and goods), inventory and articles of personal property and accessions thereto and renewals and replacements thereof and substitutions therefor (including, but not limited to, beds, bureaus, chiffonniers, chests, chairs, desks, lamps, mirrors, bookcases, tables, rugs, carpeting, drapes, draperies, curtains, shades, venetian blinds, screens, paintings, hangings, pictures, divans, couches, luggage carts, luggage racks, stools, sofas, chinaware, linens, pillows, blankets, glassware, silverware, foodcarts, cookware, dry cleaning facilities, dining room wagons, keys or other entry systems, bars, bar fixtures, liquor and other drink dispensers, icemakers, radios, television sets, intercom and paging equipment, electric and electronic equipment, dictating equipment, private telephone systems, medical equipment, potted plants, heating, lighting and plumbing fixtures, fire

prevention and extinguishing apparatus, cooling and air-conditioning systems, elevators, escalators, fittings, plants, apparatus, stoves, ranges, refrigerators, laundry machines, tools, machinery, engines, dynamos, motors, boilers, incinerators, switchboards, conduits, compressors, vacuum cleaning systems, floor cleaning, waxing and polishing equipment, call systems, brackets, electrical signs, bulbs, bells, ash and fuel, conveyors, cabinets, lockers, shelving, spotlighting equipment, dishwashers, garbage disposals, washers and dryers), other customary hotel equipment and other tangible property of every kind and nature whatsoever, now or hereafter located upon the Hotels, or appurtenances thereto, or usable in connection with the present or future operation and occupancy of the Hotels and all building equipment, materials and supplies of any nature whatsoever, now or hereafter located upon the Hotels.

"Plan" shall mean any pension plan as defined in Section 3(2) of ERISA, which is maintained or contributed to by (or to which there is an obligation to contribute of) any Borrower or a Subsidiary of any Borrower or an ERISA Affiliate and any pension plan as defined in Section 3(2) of ERISA with respect to which any Borrower, or a Subsidiary of any Borrower or an ERISA Affiliate could have any liability.

"Pledge and Security Agreement" shall have the meaning provided in Section 6.05.

"Pledge and Security Agreement Collateral" shall have the meaning provided in the Pledge and Security Agreement.

"Pledged Limited Liability Company Interests" shall have the meaning provided in the Pledge and Security Agreement.

"Pledged Partnership Interests" shall have the meaning provided in the Pledge and Security Agreement.

"Pledged Securities" shall have the meaning provided in the Pledge and Security Agreement.

"Pledged Stock" shall have the meaning provided in the Pledge and Security Agreement.

"Pledgor" shall mean and include (i) the U.S. Borrower and (ii) each Subsidiary of the U.S. Borrower which executes and delivers the Pledge and Security Agreement, or a counterpart thereof, as required by Section 10.15 or any other provision of this Agreement; provided that any such Subsidiary shall cease to be a Pledgor at such time, if any, as it is released from the Pledge and Security Agreement in accordance with the express provisions hereof and thereof. As of the Effective Date, the Pledgors are listed in Part III of Schedule IV.

"Preferred Stock", as applied to the Capital Stock of any Person, shall mean Capital Stock of such Person (other than common stock of such Person) of any class or classes (however designated) that ranks prior, as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such Person, to shares of Capital Stock of any other class of such Person.

"Prime Lending Rate" shall mean the rate which the Person serving as the Administrative Agent announces from time to time as its prime lending rate, the Prime Lending Rate to change when and as such prime lending rate changes. The Prime Lending Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. The Person serving as the Administrative Agent may make commercial loans or other loans at rates of interest at, above or below the Prime Lending Rate.

"Pro Forma Basis" shall mean, with respect to (i) any incurrence, acquisition, assumption or repayment of Indebtedness or (ii) any acquisition or sale of a Hotel Property or other assets (or the equity interest of the Person or Persons owning such Hotel Property or other assets), the calculation of the consolidated results of the U.S. Borrower and its Subsidiaries otherwise determined in accordance with this Agreement as if the respective Indebtedness, acquisition or sale (and all other Indebtedness incurred, acquired, assumed or repaid or other such acquisitions or sales effected during the respective Calculation Period or thereafter and on or prior to the date of determination) (each such date, a "Determination Date") had been effected on the first day of the respective Calculation Period; provided that all such calculations shall take into account the following assumptions:

(i) pro forma effect shall be given to (1) any Indebtedness incurred subsequent to the end of the Calculation Period and prior to the Determination Date, (2) any Indebtedness incurred during such period to the extent such Indebtedness is outstanding at the Determination Date and (3) any Indebtedness to be incurred on the Determination Date, in each case as if such Indebtedness had been incurred on the first day of such Calculation Period and after giving effect to the application of the proceeds thereof (but excluding normal fluctuations in revolving Indebtedness incurred for working capital purposes and not to finance any acquisition or Investment);

(ii) the Consolidated Interest Expense of a Person attributable to interest on any Indebtedness or dividends on any Disqualified Stock bearing a floating interest (or dividend) rate (or, in the case that such Person or any of its Subsidiaries is a party to an Interest Rate Protection Agreement or hedging obligation (which Interest Rate Protection Agreement or hedging obligation is scheduled to remain in effect for not less than the shorter of (x) a 12-month period immediately following the Determination Date or (y) the remaining term of the Indebtedness to which it relates) that has the effect of causing fixed interest rate Indebtedness to be floating rate interest on the date of computation) shall be computed (other than when computed for the purposes of computing Consolidated EBITDA) on a pro forma basis as if the average rate in effect from the beginning of the period to the end of the period had been the applicable rate for the entire period, unless in the case of floating rate Indebtedness, such Person or any of its Subsidiaries is a party to an Interest Rate Protection Agreement or hedging obligation (which shall remain in effect for the 12-month period immediately following the end of the period) that has the effect of fixing the interest rate on the date of computation, in which case such rate (whether higher or lower) shall be used;

(iii) there shall be excluded from interest expense any interest expense related to any amount of Indebtedness that was outstanding during such Calculation Period or

thereafter but that is not outstanding or is to be permanently repaid on the Determination Date;

(iv) pro forma effect shall be given to all acquisitions and sales of Hotel Properties and other assets (by excluding or including, as the case may be, the historical financial results for the respective Hotel Properties and/or such other assets) that occur during such Calculation Period or thereafter and on or prior to the Determination Date (including any Indebtedness assumed or acquired in connection therewith) as if they had occurred on the first day of such Calculation Period, provided that in connection with any such acquisitions, pro forma effect (for periods prior to such acquisition) shall be given to the management fees payable pursuant to the respective Management Agreement as if such management fees had been payable throughout the Calculation Period;

(v) any Indebtedness in respect of which an irrevocable prepayment notice has been delivered that results in such Indebtedness being due and payable not later than 30 days after such prepayment notice, the amount of such Indebtedness (and any interest attributable thereto) shall be excluded from the computation of such covenants to the extent the U.S. Borrower shall have unrestricted cash reserves for such payment or shall have committed cash reserves for such payment by way of a deposit arrangement or otherwise; and

(vi) any Qualified Preferred Stock or QUIPs in respect of which an irrevocable redemption or repurchase notice has been delivered that results in such Qualified Preferred Stock or QUIPs being due and payable not later than 30 days after such notice, the amount of such Qualified Preferred Stock or QUIPs (and any interest attributable thereto) shall be excluded from the computation of such covenants to the extent the U.S. Borrower shall have unrestricted cash reserves for such payment or shall have committed cash reserves for such payment by way of a deposit arrangement or otherwise.

In the case of any covenant, other than those set forth in Sections 9.01 through 9.04, which require compliance with the covenants of this Agreement on a Pro Forma Basis, compliance with the Revolving Facility A Financial Covenants or Revolving Facility B Financial Covenants shall be required only to the extent that there is any Revolving A Credit Exposure or Revolving B Credit Exposure, respectively, after giving effect to the event giving rise to the need for compliance.

"Procurement Contracts" shall mean contracts for the procurement of goods and services entered into in the ordinary course of business and consistent with industry practices.

"Projections" shall have the meaning provided in Section 8.05(d).

"Qualified Preferred Stock" shall mean any preferred stock or other preference shares of HMC or the U.S. Borrower, so long as the terms of such preferred stock or other preference shares (i) do not provide any collateral security, (ii) do not provide any guaranty or other support by HMC or any of its Subsidiaries, (iii) do not require any cash dividends or cash distributions (other than dividends or distributions payable when and if declared by the Board of Directors of HMC or the general partner of the U.S. Borrower) or contain any mandatory put,

redemption, repayment, sinking fund or other similar provision in each case occurring before September 10, 2009 (other than any such provision that can be satisfied, at the election of HMC or the U.S. Borrower, by the issuance of OP Units or common stock or Qualified Preferred Stock of HMC), (iv) do not contain any covenants other than periodic reporting requirements, (v) do not grant the holders thereof any voting rights except for (x) voting rights required to be granted to such holders under applicable law or listing requirements and (y) limited customary voting rights on fundamental matters such as mergers, consolidations, sales of all or substantially all of the assets of HMC, liquidations involving HMC or dividend arrearages, and (vi) do not provide for the conversion into, or the exchange for (unless at the sole discretion of the issuer thereof), debt securities.

"Qualifying Indebtedness" means Indebtedness of the U.S. Borrower under the Governing Senior Note Indenture and any other Secured Indebtedness of the U.S. Borrower or any of its Subsidiaries (other than Indebtedness under the Credit Documents).

"Quarterly Payment Date" shall mean the last Business Day of each April, July, October and January occurring after the Effective Date.

"QUIPs" shall mean the $6^{3}/_{4}$% Convertible Preferred Securities issued by Host Marriott Financial Trust, a statutory business trust and a Subsidiary of HMC.

"QUIPs Debt" shall mean the $550,000,000 aggregate original principal amount of $6^{3}/_{4}$% convertible subordinated debentures due 2026 of HMC, held by Host Marriott Financial Trust, a statutory business trust and a Subsidiary of HMC.

"RCRA" shall mean the Resource Conservation and Recovery Act, as the same may be amended from time to time, 42 U.S.C. § 6901 et seq.

"Real Property" of any Person shall mean all the right, title and interest of such Person in and to land, improvements and fixtures, including Leaseholds.

"Recourse Indebtedness" of any Person shall mean all Indebtedness of such Person and its Subsidiaries for which recourse for payment may be made against such Person for the obligations thereunder (and in any event shall include all Indebtedness of such Person which is not Non-Recourse Indebtedness).

"Register" shall have the meaning provided in Section 14.15.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation T" shall mean Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Regulation U" shall mean Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Regulation X" shall mean Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Related Businesses" shall mean the businesses conducted by the U.S. Borrower and its Subsidiaries as of the Effective Date and any and all businesses that in the good faith judgment of the Board of Directors of the general partner of the U.S. Borrower are materially related businesses or real estate related businesses. Without limiting the generality of the foregoing, Related Business shall include the ownership and operation of lodging properties.

"Release" shall mean disposing, discharging, injecting, spilling, pumping, leaking, leaching, dumping, emitting, escaping, emptying, pouring or migrating, into or upon any land or water or air, or otherwise entering into the environment.

"Relevant Capital Stock" shall mean, with respect to any Person, any and all shares, interests, participations, or other equivalents (however designated, whether voting or non-voting) including partnership interests, whether general or limited, in the equity of such Person, whether outstanding on the Effective Date or issued thereafter, including, without limitation, all capital stock, preferred stock and limited partnership units of the U.S. Borrower.

"Replaced Lender" shall have the meaning provided in Section 2.14.

"Replacement" shall have the meaning provided in Section 2.14.

"Replacement Lender" shall have the meaning provided in Section 2.14.

"Reportable Event" shall mean an event described in Section 4043(c) of ERISA with respect to a Plan that is subject to Title IV of ERISA other than those events as to which the 30-day notice period is waived under subsection .22, .23, .25, .27 or .28 of PBGC Regulation Section 4043.

"Required Lenders" shall mean Non-Defaulting Lenders the sum of whose Revolving Loan Commitments (or after the termination thereof, outstanding Revolving Loans and Participations in Letter of Credit Outstandings) represent an amount greater than 50% of the Total Revolving Loan Commitment less the Revolving Loan Commitments of Defaulting Lenders (or after the termination of the Total Revolving Loan Commitment, the sum of the then total outstanding Revolving Loans of Non-Defaulting Lenders, and the aggregate Participations of all Non-Defaulting Lenders in Letter of Credit Outstandings at such time). For purposes of determining Required Lenders, all outstanding Revolving Loans and Commitments, as the case may be, that are denominated in Dollars will be calculated in Dollars and all Revolving Loans and Commitments, as the case may be, denominated in Canadian Dollars will be calculated according to the Dollar Equivalent thereof.

"Requirements of Law" shall mean, as to any Person, the certificate of incorporation, and by-laws or other organizational or governing documents of such Person, and all foreign, federal, state and local laws, rules and regulations, including, without limitation, Environmental Laws, ERISA, foreign, federal, state or local securities, antitrust and licensing laws, all food, health and safety laws, and all applicable trade laws and requirements, including,

without limitation, all disclosure requirements of Environmental Laws and ERISA and all orders, judgments, decrees or other determinations of any Governmental Authority or arbitrator, in each case, applicable to and binding upon such Person, its business or any of its property.

"Restricted Payment" shall have the meaning given to it in the Governing Senior Note Indenture as in effect on the Effective Date except the term "Subordinated Indebtedness" used therein shall refer to Indebtedness of the Company or any Guarantor that is expressly subordinated in right of payment to the Revolving Loans (or other Indebtedness under the Credit Documents).

"Restricted Subsidiary" shall have the meaning given to it in the Governing Senior Note Indenture.

"Returns" shall have the meaning provided in Section 8.09.

"Revolving A Credit Exposure" shall mean for any RL Lender at any time, the sum of (i) the aggregate principal amount of all Revolving A Loans made by such Lender (and its affiliates, if any, acting as Canadian Lenders) (for this purpose, (x) at all times prior to the occurrence of any Sharing Event and the automatic conversion of Canadian Revolving Loans to Dollar Revolving Loans pursuant to Section 2.17, using the Dollar Equivalent of the principal amount or Face Amount, as the case may be, of all Canadian Revolving A Loans then outstanding from such RL Lender or any affiliate thereof acting as a Canadian Lender and (y) at all times after the occurrence of any Sharing Event, giving effect to the conversions required by Section 2.17 and to all participations purchased by such RL Lender pursuant to Section 2.17), plus (ii) the product of (A) such Lender's Dollar Percentage (or, after the occurrence of a Sharing Event, its RL Percentage) and (B) the aggregate amount of all Letter of Credit A Outstandings at such time. For the purpose of determining whether the Revolving Facility A Financial Covenants shall be applicable, the amount of any Letter of Credit A Outstandings and Bankers' Acceptance Loans utilizing the Total Revolving A Loan Capacity that are fully cash collateralized in accordance with the terms of this Agreement shall be deemed to be zero.

"Revolving A Loan" shall have the meaning provided in Section 2.01(a).

"Revolving B Credit Exposure" shall mean for any RL Lender at any time, the sum of (i) the aggregate principal amount of all Revolving B Loans made by such Lender (and its affiliates, if any, acting as Canadian Lenders) (for this purpose, (x) at all times prior to the occurrence of any Sharing Event and the automatic conversion of Canadian Revolving Loans to Dollar Revolving Loans pursuant to Section 2.17, using the Dollar Equivalent of the principal amount or Face Amount, as the case may be, of all Canadian Revolving B Loans then outstanding from such RL Lender or any affiliate thereof acting as a Canadian Lender and (y) at all times after the occurrence of any Sharing Event, giving effect to the conversions required by Section 2.17 and to all participations purchased by such RL Lender pursuant to Section 2.17), plus (ii) the product of (A) such Lender's Dollar Percentage (or, after the occurrence of a Sharing Event, its RL Percentage) and (B) the aggregate amount of all Letter of Credit B Outstandings at such time. For the purpose of determining whether the Revolving Facility B Financial Covenants shall be applicable, the amount of any Letter of Credit B Outstandings and Bankers'

Acceptance Loans utilizing the Total Revolving B Loan Capacity that are fully cash collateralized in accordance with the terms of this Agreement shall be deemed to be zero.

"Revolving B Loan" shall have the meaning provided in Section 2.01(b).

"Revolving Credit Exposure" shall mean, for any RL Lender at any time, such Lender's Revolving A Credit Exposure plus its Revolving B Credit Exposure.

"Revolving Credit Period" shall mean the period from and including the Effective Date to but not including the Maturity Date.

"Revolving Facility A Financial Covenants" shall mean the covenants set forth in Sections 9.01(a), 9.02(a) and 9.03.

"Revolving Facility B Financial Covenants" shall mean the covenants set forth in Sections 9.01(b) and 9.02(b).

"Revolving Loan" shall have the meaning provided in Section 2.01(b).

"Revolving Loan Commitment" shall mean, for each Lender, the amount of such Lender's Revolving Loan Commitment set forth opposite such Lender's name in Schedule I-A directly below the column entitled "Revolving Loan Commitment," as the same may be (x) reduced from time to time pursuant to Sections 4.02, 5.02(f), and/or 12 or (y) adjusted from time to time as a result of assignments to or from such Lender pursuant to Sections 2.14 or 14.03(b) or (z) increased from time to time pursuant to Section 2.16. For the avoidance of doubt, any limitations in effect from time to time pursuant to Section 2.01(a)(vii) or 2.01(b)(vi) on amounts available for drawing shall not alter the Revolving Loan Commitment of any Lender.

"Revolving Notes" shall mean each Dollar Revolving Note and each Canadian Dollar Revolving Note.

"RL Lender" shall mean, at any time, each Lender with a Revolving Loan Commitment or with outstanding Revolving Loans at such time.

"RL Percentage" of any Lender at any time shall mean a fraction (expressed as a percentage) the numerator of which is the Revolving Loan Commitment of such Lender at such time and the denominator of which is the Total Revolving Loan Commitment at such time. Notwithstanding anything to the contrary contained above, if the RL Percentage of any Lender is to be determined after the Total Revolving Loan Commitment has been terminated, then the RL Percentages of the Lenders shall be determined immediately prior (and without giving effect) to such termination.

"Roll Forward Amount" shall mean, with respect to any covenant that permits an action to be taken in a fiscal year with reference to Adjusted Total Assets, the cumulative unused Dollar amount relating to such action referred to in such covenant from all prior fiscal years commencing with and including the full fiscal year ending nearest to December 31, 2004, it being understood that such unused amounts shall be calculated independently for each covenant that references a Roll Forward Amount, irrespective of any application of such Roll Forward

Amount for the purpose of another covenant. For purposes of computing the Roll Forward Amount attributable to any fiscal year, the unused Dollar amount shall be determined according to the Adjusted Total Assets measured as of the end of such fiscal year. The unused amount for any period during which the limitations in Section 11.10(a), 11.11(a) or 11.12(a) shall not be in effect shall be the unused amount as if the Leverage Ratio had been equal to or greater than 6.00:1:00 at all times from and after the Effective Date. In no event shall the Roll Forward Amount be negative.

"S&P" shall mean Standard & Poor's Ratings Services.

"SEC" shall mean the Securities and Exchange Commission or any successor thereto.

"Section 5.04(b)(ii) Certificate" shall have the meaning provided in Section 5.04(b).

"Secured Creditors" shall have the meaning provided in the Pledge and Security Agreement.

"Secured Indebtedness" shall mean any Indebtedness or Disqualified Stock secured by a Lien (other than any Permitted Lien (as defined in the Governing Senior Note Indenture)) upon the property of the U.S. Borrower or any of its Subsidiaries.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Securities Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Security Documents" shall mean the Pledge and Security Agreement and any other pledge or similar agreement executed and delivered after the Effective Date pursuant to Section 10.14, 10.15 or any other provision of this Agreement or the Pledge and Security Agreement.

"Senior Note Documents" shall mean the Governing Senior Note Indenture, the Senior Notes and each other document or agreement relating to the issuance of the Senior Notes.

"Senior Note Indenture" shall mean the Indenture, dated as of August 5, 1998, among the U.S. Borrower (successor to HMH Properties, Inc.), the subsidiary guarantors named therein and Marine Midland Bank as Trustee, together with all supplemental indentures relating to the Senior Notes but without giving effect to any covenant amendments implemented pursuant to such supplemental indentures.

"Senior Note Indenture Default" shall mean a Default or Event of Default under the Governing Senior Note Indenture, in each case as defined therein.

"Senior Notes" shall mean each of the U.S. Borrower's (i) $305,063,000 7-7/8% Series B Senior Notes due August 2008, (ii) $300,000,000 8-3/8% Series E Senior Notes due

February 2006, (iii) $242,000,000 8.45% Series G Senior Notes due October 2007, (iv) $450,000,000 9-1/2% Series I Senior Notes due January 2007, (v) $725,000,000 7-1/8% Series K Senior Notes due November 2013, (vi) $350,000,000 7% Series L Senior Notes due August 2012, (vii) $500,000,000 Exchangeable Debentures due March 2024, (viii) other issues of senior notes issued pursuant to the Senior Note Indenture, (ix) $5,922,000 $9^{3}/_{8}$% Marriott Corporation Debentures due June 2007, (x) $6,873,000 10% Marriott Corporation Series L Senior Notes due May 2012.

"Sharing Event" shall mean (i) the occurrence of any Event of Default with respect to any Borrower pursuant to Section 12.05, (ii) the declaration of the Total Revolving Loan Commitment termination, or the acceleration of the maturity of any Revolving Loans, in each case pursuant to the last paragraph of Section 12 or (iii) the failure of any Borrower to pay any principal of, Face Amount of, or interest on, Revolving Loans or any Letter of Credit Obligations on the Maturity Date.

"Significant Subsidiary" shall mean any Subsidiary which is a "significant subsidiary" of the U.S. Borrower within the meaning of Rule 1-02 of Regulation S-X promulgated by the SEC as in effect on August 5, 1998.

"Single Employer Plan" shall have the meaning provided in Section 8.10.

"Specified Default" shall mean any Default or Event of Default under Sections 12.01, 12.03 (solely as a result of a failure to comply with Section 10.11(a), 10.11(b), 10.11(d)), 12.05 or 12.08.

"Start Date" shall mean, with respect to any Margin Reduction Period, the first day of such Margin Reduction Period.

"Stated Amount" of each Letter of Credit shall, at any time, mean the maximum amount available to be drawn thereunder (in each case determined without regard to whether any conditions to drawing could then be met, but after giving effect to all previous drawings made thereunder).

"Stock Collateral" shall have the meaning provided in Section 10.15(d).

"Subsidiaries Guaranty" shall have the meaning provided in Section 6.06.

"Subsidiary" shall mean, with respect to any Person, (i) any corporation, association or other business entity of which more than 50% of the ordinary voting power of the outstanding Capital Stock is owned, directly or indirectly, by such Person, by such Person and one or more Subsidiaries of such Person or by one or more Subsidiaries of such Person, or the accounts of which would be consolidated with those of such Person in its consolidated financial statements in accordance with GAAP, if such statements were prepared as of such date, (ii) any partnership (a) in which such Person or one or more Subsidiaries of such Person is, at the time, a general partner and owns alone or together with the U.S. Borrower a majority of the partnership interests or (b) in which such Person or one or more Subsidiaries of such Person is, at the time, a general partner and which is controlled by such Person in a manner sufficient to permit its financial statements to be consolidated with the financial statements of such Person in

conformance with GAAP and the financial statements of which are so consolidated, and (iii) any Person, if so designated by the U.S. Borrower in writing to the Administrative Agent (which designation shall be deemed made if a similar designation is made under the Governing Senior Note Indenture), (x) in which the U.S. Borrower owns (directly or indirectly) at least 50% of the aggregate economic interests; (y) in which the U.S. Borrower or a Subsidiary participates in control as a general partner, a managing member or through similar means, and (z) which is not consolidated for financial reporting purposes with the U.S. Borrower under GAAP.

"Subsidiary Indebtedness" shall mean, without duplication, all Unsecured Indebtedness (including Contingent Obligations (other than Contingent Obligations incurred by Subsidiaries in respect of Secured Indebtedness)) of which a Subsidiary other than a Guarantor is the obligor. Obligations under this Agreement shall not constitute Subsidiary Indebtedness. A release under the Subsidiaries Guaranty of a Guarantor which remains a Subsidiary shall be deemed to be an incurrence of Subsidiary Indebtedness in amount equal to the U.S. Borrower's proportionate interest in the Unsecured Indebtedness of such Guarantor.

"Syndication Agent" shall mean Bank of America, N.A.

"Tax Affiliate" shall mean, as to any Person, (i) any Subsidiary of such Person and (ii) any Affiliate of such Person with which such Person files or is eligible to file consolidated, combined or unitary tax returns.

"Taxable Income" shall mean Real Estate Investment Trust Taxable Income as defined in Section 857(b) of the Code.

"Taxable REIT Subsidiary" shall mean any Subsidiary of the U.S. Borrower that is a "taxable REIT subsidiary" within the meaning of Section 856(l) of the Code on or after January 1, 2001, or a Subsidiary of such Taxable REIT Subsidiary.

"Taxes" shall have the meaning provided in Section 5.04.

"Test Date" shall mean the last day of each fiscal quarter ended after the Effective Date.

"Test Period" shall mean each period of four consecutive fiscal quarters of the U.S. Borrower then last ended (in each case taken as one accounting period).

"Total Canadian Dollar Revolving Loan Sub-Commitment" shall mean, at any time, (x) the sum of the Canadian Dollar Revolving Loan Sub-Commitments of all Canadian Lenders at such time or, if less, (y) the Total Canadian Dollar Revolving Loan Sub-Commitment as then in effect pursuant to Section 2.18.

"Total Maximum Canadian Dollar Revolving Loan Sub-Commitment" shall mean, at any time, the sum of the Maximum Canadian Dollar Revolving Loan Sub-Commitments of all Canadian Lenders at such time.

"Total Revolving A Loan Capacity" shall mean $385,000,000, as the same may be (x) reduced from time to time pursuant to Sections 4.02, 5.02(f), and/or 12 or (y) increased

from time to time pursuant to Section 2.16. For the avoidance of doubt, the sum of the Total Revolving A Loan Capacity plus the Total Revolving B Loan Capacity on any given date shall equal, and shall at no time exceed, the Total Revolving Loan Commitment on such date.

"Total Revolving B Loan Capacity" shall mean $190,000,000, as the same may be (x) reduced from time to time pursuant to Sections 4.02, 5.02(f), and/or 12 or (y) increased from time to time pursuant to Section 2.16. For the avoidance of doubt, the sum of the Total Revolving A Loan Capacity plus the Total Revolving B Loan Capacity on any given date shall equal, and shall at no time exceed, the Total Revolving Loan Commitment on such date.

"Total Revolving Loan Commitment" shall mean, at any time, the sum of the Revolving Loan Commitments of each of the Lenders.

"Total Unencumbered Assets" as of any date shall mean the sum of (i) Undepreciated Real Estate Assets not securing any portion of Secured Indebtedness and (ii) all other assets (but excluding intangibles and minority interests in Persons who are obligors with respect to outstanding secured debt) of the U.S. Borrower and its Subsidiaries not securing any portion of Secured Indebtedness, determined on a consolidated basis (it being understood that the accounts of the Subsidiaries shall be consolidated with those of the U.S. Borrower only to the extent of the U.S. Borrower's proportionate interest therein).

"Total Unutilized Revolving Loan Commitment" shall mean, at any time, an amount equal to the remainder of (x) the Total Revolving Loan Commitment then in effect, less (y) the sum of (i) the aggregate principal amount of Revolving Loans then outstanding (for this purpose, taking the Dollar Equivalent thereof in the case of Canadian Revolving Loans then outstanding) plus (ii) the then aggregate amount of Letter of Credit Outstandings.

"Total U.S. Revolving Loan Sub-Commitment" at any time shall mean the sum of the U.S. Revolving Loan Sub-Commitments of all Lenders; provided that at no time shall the Total U.S. Revolving Loan Sub-Commitment exceed the Total Revolving Loan Commitment as then in effect.

"Tranche" shall mean the respective facility utilized in making Revolving Loans hereunder, with there being two separate Tranches, i.e., Revolving A Loans (which in the aggregate shall not exceed the Total Revolving A Loan Capacity) and Revolving B Loans (which in the aggregate shall not exceed the Total Revolving B Loan Capacity).

"Twelfth Supplemental Indenture" shall mean the Amended and Restated Twelfth Supplemental Indenture dated July 28, 2004, as in effect on the Effective Date.

"Type" shall mean the type of Revolving Loan determined with regard to the interest option applicable thereto, i.e., whether a Base Rate Loan, a Eurodollar Loan, a Canadian Prime Rate Loan or a Bankers' Acceptance Loan.

"UCC" shall mean the Uniform Commercial Code as from time to time in effect in the relevant jurisdiction.

"Unconsolidated Entity" shall mean, with respect to any Person, at any date, any other Person in whom such Person holds an Investment, and whose financial results would not be consolidated under GAAP with the financial results of such Person on the consolidated financial statements of such Person, if such statements were prepared as of such date.

"Undepreciated Real Estate Assets" shall mean, as of any date, the cost (being the original cost to the U.S. Borrower, the Guarantors or any of their Subsidiaries plus capital improvements) of real estate assets of the U.S. Borrower, the Guarantors or any of their Subsidiaries on such date, before depreciation and amortization of such real estate assets, determined on a consolidated basis (it being understood that the accounts of Subsidiaries shall be consolidated with those of the U.S. Borrower only to the extent of the U.S. Borrower's proportionate interest therein).

"Unencumbered Consolidated EBITDA" shall mean, for any period, that portion of Consolidated EBITDA for such period attributable to those assets which are (i) not encumbered by Liens and (ii) not owned by Subsidiaries of the U.S. Borrower that have Subsidiary Indebtedness.

"Unfunded Current Liability" of any Plan shall mean the amount, if any, by which the actuarial present value of the accumulated plan benefits under such Plan as of the close of its most recent plan year, determined in accordance with actuarial assumptions at such time consistent with Statement of Financial Accounting Standards No. 87, exceeds the market value of the assets allocable thereto.

"United States" and "U.S." shall each mean the United States of America.

"Unpaid Drawing" shall have the meaning provided in Section 3.05.

"Unsecured Consolidated Interest Expense" shall mean, for any period, that portion of Consolidated Interest Expense (excluding the interest expense attributable to QUIPs Debt) attributable to Indebtedness that is neither Secured Indebtedness nor Subsidiary Indebtedness.

"Unsecured Indebtedness" shall mean any Indebtedness or Disqualified Stock of the U.S. Borrower or any of its Subsidiaries that is not Secured Indebtedness.

"Unsecured Interest Coverage Ratio" shall mean, for any period, the ratio of (x) Unencumbered Consolidated EBITDA for such period to (y) Unsecured Consolidated Interest Expense for such period.

"Unutilized Canadian Dollar Revolving Loan Sub-Commitment" shall mean, as to any Canadian Lender at any time, the Canadian Dollar Revolving Loan Sub-Commitment of such Canadian Lender at such time minus the Dollar Equivalent of the aggregate principal amount or Face Amount, as the case may be, of all Canadian Revolving Loans of such Canadian Lender then outstanding.

"Unutilized Canadian RL Percentage" of any Lender at any time shall mean a fraction (expressed as a percentage) the numerator of which is the Unutilized Canadian Dollar

Revolving Loan Sub-Commitment of such Lender (and its respective affiliates which act as Canadian Lenders) at such time and the denominator of which is the aggregate amount of Unutilized Canadian Dollar Revolving Loan Sub-Commitments of all Canadian Lenders at such time.

"Unutilized Revolving Loan Commitment" of the Revolving Loan Commitment with respect to any Lender, at any time, shall mean an amount equal to the remainder of (i) such Lender's Revolving Loan Commitment at such time less (ii) the sum of (x) the aggregate principal amount of Revolving Loans of such Lender (including any Affiliate of any such Lender acting as a Canadian Lender) then outstanding (taking the Dollar Equivalent of the principal amount or Face Amount, as the case may be, in the case of any Canadian Revolving Loans then outstanding) and (y) such Lender's Dollar Percentage (or, after a Sharing Event has occurred, its RL Percentage) of the Letter of Credit Outstandings at such time.

"U.S. Borrower" shall mean Host Marriott, L.P., a Delaware limited partnership.

"U.S. Revolving Loan Sub-Commitment" shall mean, for any Lender at any time, such Lender's Revolving Loan Commitment minus, in the case of a Lender that is, or whose Affiliate is, a Canadian Lender, the sum of such Lender's and its Affiliates' Canadian Dollar Revolving Loan Sub-Commitments.

"Voting Stock" shall mean, as to any Person, any class or classes of outstanding Capital Stock of such Person pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors of such Person.

"Wholly-Owned Domestic Subsidiary" of any Person shall mean any Subsidiary of such Person which is both a Domestic Subsidiary and a Wholly-Owned Subsidiary of such Person.

"Wholly-Owned Foreign Subsidiary" of any Person shall mean any Subsidiary of such Person which is both a Foreign Subsidiary and a Wholly-Owned Subsidiary of such Person.

"Wholly-Owned Subsidiary" shall mean, as to any Person, (i) any corporation 100% of whose capital stock (other than director's qualifying shares) is at the time owned by such Person and/or one or more Wholly-Owned Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Wholly-Owned Subsidiaries of such Person has a 100% equity interest at such time.

SECTION 2. Amount and Terms of Credit.

2.01. The Commitments. (a) Revolving A Loans. Subject to and upon the terms and conditions set forth herein, (x) each RL Lender severally agrees, at any time and from time to time during the Revolving Credit Period, to make a revolving A loan or revolving A loans, which revolving A loans shall be made and maintained in Dollars (each a "Dollar Revolving A Loan" and, collectively, the "Dollar Revolving A Loans") to the U.S. Borrower, and (y) each Canadian Lender with a Canadian Dollar Revolving Loan Sub-Commitment severally

agrees, at any time and from time to time during the Revolving Credit Period, to make a revolving A loan or revolving A loans, which revolving loans shall be made and maintained in Canadian Dollars (each a "Canadian Revolving A Loan" and, collectively, the "Canadian Revolving A Loans") to one or more Canadian Revolving Loan Borrowers (with the Dollar Revolving A Loans and Canadian Revolving A Loans made to the various Borrowers pursuant to this Section 2.01 being herein called a "Revolving A Loan" and, collectively, the "Revolving A Loans"). The Revolving A Loans:

(i) shall, in the case of Dollar Revolving Loans, at the option of the U.S. Borrower, be incurred and maintained as, and/or converted into, Base Rate Loans or Eurodollar Loans of the same Tranche, provided that except as otherwise specifically provided herein, all Dollar Revolving Loans comprising the same Borrowing shall be of the same Type,

(ii) shall, in the case of Canadian Revolving Loans, be made and maintained in Canadian Dollars, provided that all Canadian Revolving Loans shall, at the option of the respective Canadian Revolving Loan Borrower, be made by each Canadian Lender with a Canadian Dollar Revolving Loan Sub-Commitment either by means of (x) Canadian Prime Rate Loans in Canadian Dollars or (y) the creation and discount of Bankers' Acceptances in Canadian Dollars on the terms and conditions provided for herein and in Schedule III hereto (the terms and conditions of which shall be deemed incorporated by reference into this Agreement),

(iii) may be repaid and reborrowed in accordance with the provisions hereof,

(iv) shall not, in the case of Canadian Revolving A Loans, be made at any time if, for any Canadian Lender, at the time of making any such Canadian Revolving Loans and after giving effect thereto, the Dollar Equivalent of the aggregate principal amount (or Face Amount, as the case may be) of such Canadian Revolving A Loans, when added to the Dollar Equivalent of the aggregate principal amount (or Face Amount, as the case may be) of all other Canadian Revolving Loans then outstanding from such Canadian Lender, exceeds the related Maximum Canadian Dollar Revolving Loan Sub-Commitment or the Canadian Dollar Revolving Loan Sub-Commitment of such Canadian Lender at such time,

(v) shall not, in the case of all Revolving A Loans, be made at any time if, after giving effect thereto, the Aggregate Revolving A Credit Exposure would exceed the Total Revolving A Loan Capacity at such time,

(vi) shall not, in the case of Dollar Revolving Loans, be made at any time if, at the time of making any such Dollar Revolving Loan and after giving effect thereto, (A) the Aggregate U.S. Revolving Exposure exceeds the Total U.S. Revolving Loan Sub-Commitment at such time or (B) for any Lender, such Lender's Dollar Percentage of the U.S. Revolving Exposure exceeds the U.S. Revolving Loan Sub-Commitment of such Lender at such time, and

(vii) shall not, in the case of all Revolving A Loans, be made at any time, if after giving effect thereto, the Aggregate Revolving A Credit Exposure would exceed (A) $0 so long as the Leverage Ratio is equal to or greater than 7.00:1:00, (B) $150,000,000 so long as such Leverage Ratio is equal to or greater than 6.75:1:00 but less than 7.00:1:00, (C) $300,000,000, so long as such Leverage Ratio is equal to or greater than 6.50:1:00 but less than 6.75:1.00 and (D) $385,000,000, so long as such Leverage Ratio is less than 6.50:1:00, plus, in each case, any amounts under Additional Revolving Loan Commitments (as determined pursuant to Section 2.16(b)); provided, however, that, except as set forth in Section 5.02(a)(iii), the limitations contained in this clause (vii) shall apply only at the time of any Credit Event and in no event shall such limitations require any Borrower to prepay any Revolving Loan for which the conditions contained in this clause (vii) were satisfied at the time such Revolving Loan was incurred; provided further, that for purposes of calculating the Leverage Ratio pursuant to this clause (vii), the Leverage Ratio shall be calculated as of the proposed date of Borrowing as described in Section 7.01(b).

Notwithstanding the foregoing, in the event a Lender Default exists, the Canadian Lenders shall not be required to make Canadian Revolving A Loans unless the Canadian Lenders have entered into arrangements satisfactory to them and the U.S. Borrower to eliminate the Canadian Lenders' risk with respect to the participation arrangements set forth in Section 2.17 of the Defaulting Lender or Lenders, which may include cash collateralizing such Defaulting Lender's or Lenders' RL Percentage of the outstanding Canadian Revolving A Loans.

All Canadian Revolving A Loans shall constitute the several, and not joint or joint and several, obligations of the Canadian Revolving Loan Borrowers.

(b) Revolving B Loans. Subject to and upon the terms and conditions set forth herein, (x) each RL Lender severally agrees, at any time and from time to time during the Revolving Credit Period, to make a revolving B loan or revolving B loans, which revolving B loans shall be made and maintained in Dollars (each a "Dollar Revolving B Loan" and, collectively, the "Dollar Revolving B Loans") to the U.S. Borrower, and (y) each Canadian Lender with a Canadian Dollar Revolving Loan Sub-Commitment severally agrees, at any time and from time to time during the Revolving Credit Period, to make a revolving B loan or revolving B loans, which revolving loans shall be made and maintained in Canadian Dollars (each a "Canadian Revolving B Loan" and, collectively, the "Canadian Revolving B Loans") to one or more Canadian Revolving Loan Borrowers (with the Dollar Revolving B Loans and Canadian Revolving B Loans made to the various Borrowers pursuant to this Section 2.01 being herein called a "Revolving B Loan" and, collectively, the "Revolving B Loans" and with each Revolving A Loan and Revolving B Loan being herein called "Revolving Loan" and, collectively, the "Revolving Loans"). The Revolving B Loans:

(i) shall, in the case of Dollar Revolving Loans, at the option of the U.S. Borrower, be incurred and maintained as, and/or converted into, Base Rate Loans or Eurodollar Loans of the same Tranche, provided that except as otherwise specifically provided herein, all Dollar Revolving Loans comprising the same Borrowing shall be of the same Type,

(ii) shall, in the case of Canadian Revolving Loans, be made and maintained in Canadian Dollars, provided that all Canadian Revolving Loans shall, at the option of the respective Canadian Revolving Loan Borrower, be made by each Canadian Lender with a Maximum Canadian Dollar Revolving Loan Sub-Commitment either by means of (x) Canadian Prime Rate Loans in Canadian Dollars or (y) the creation and discount of Bankers' Acceptances in Canadian Dollars on the terms and conditions provided for herein and in Schedule III hereto (the terms and conditions of which shall be deemed incorporated by reference into this Agreement),

(iii) may be repaid and reborrowed in accordance with the provisions hereof,

(iv) shall not, in the case of Canadian Revolving B Loans, be made at any time if, for any Canadian Lender, at the time of making any such Canadian Revolving B Loans and after giving effect thereto, the Dollar Equivalent of the aggregate principal amount (or Face Amount, as the case may be) of such Canadian Revolving B Loans, when added to the Dollar Equivalent of the aggregate principal amount (or Face Amount, as the case may be) of all other Canadian Revolving Loans then outstanding from such Canadian Lender, exceeds the related Maximum Canadian Dollar Revolving Loan Sub-Commitment or the Canadian Dollar Revolving Loan Sub-Commitment of such Canadian Lender at such time,

(v) shall not, in the case of all Revolving B Loans, be made at any time if, after giving effect thereto, the Aggregate Revolving B Credit Exposure would exceed the Total Revolving B Loan Capacity at such time,

(vi) shall not, in the case of all Revolving B Loans, be made at any time if (A) after giving effect thereto, the Leverage Ratio is equal to or greater than the then applicable Leverage Ratio set forth in Section 9.01(b), (B) the Unsecured Interest Coverage Ratio is less than 1.50:1:00; or (C) in the event that at the time of such Borrowing the Aggregate Revolving A Credit Exposure exceeds $0 (after giving effect to the application of the proceeds of such Borrowing), there exists a Revolving Facility A Financial Covenant Default; provided that for purposes of calculating the Leverage Ratio and Unsecured Interest Coverage Ratio pursuant to this clause (vi), the Leverage Ratio and the Unsecured Interest Coverage Ratio shall be calculated as of the proposed date of Borrowing as described in Section 7.01(b).

Notwithstanding the foregoing, in the event a Lender Default exists, the Canadian Lenders shall not be required to make Canadian Revolving B Loans unless the Canadian Lenders have entered into arrangements satisfactory to them and the U.S. Borrower to eliminate the Canadian Lenders' risk with respect to the participation arrangements set forth in Section 2.17 of the Defaulting Lender or Lenders, which may include cash collateralizing such Defaulting Lender's or Lenders' RL Percentage of the outstanding Canadian Revolving B Loans.

All Canadian Revolving B Loans shall constitute the several, and not joint or joint and several, obligations of the Canadian Revolving Loan Borrowers.

2.02. Minimum Amount of Each Borrowing. The aggregate principal amount of each Borrowing of Revolving Loans shall not be less than the respective Minimum Borrowing Amount for the respective Type and Tranche of Revolving Loans to be made or maintained pursuant to the respective Borrowing. More than one Borrowing may occur on the same date, but at no time shall there be outstanding more than ten Borrowings of Revolving Loans maintained as Eurodollar Loans.

2.03. Notice of Borrowing. (a) Whenever a Borrower desires to incur Revolving Loans hereunder (excluding Borrowings of Canadian Prime Rate Loans to the extent resulting from automatic conversions of Bankers' Acceptance Loans as provided in clause (i) of Schedule III), it shall give the Administrative Agent at the Notice Office at least one Business Day's prior written notice (or telephonic notice promptly confirmed in writing) of each Base Rate Loan or Canadian Prime Rate Loan and at least three Business Days' prior written notice (or telephonic notice promptly confirmed in writing) of each Eurodollar Loan or Bankers' Acceptance Loan to be incurred hereunder, provided that any such notice shall be deemed to have been given on a certain day only if given before 12:00 Noon (New York time) on such day. Each such written notice or written confirmation of telephonic notice (each a "Notice of Borrowing"), except as otherwise expressly provided in Section 2.10, shall be irrevocable and shall be given by the respective Borrower in the form of Exhibit A appropriately completed to specify (i) the name of such Borrower or Borrowers, (ii) the aggregate principal amount (or Face Amount, as the case may be) of the Revolving Loans to be incurred pursuant to such Borrowing (stated in the applicable currency), (iii) the date of such Borrowing (which shall be a Business Day), (iv) in the case of Dollar Revolving Loans, whether the Revolving Loans being incurred pursuant to such Borrowing are to be initially maintained as Base Rate Loans or Eurodollar Loans, (v) in the case of Canadian Revolving Loans, whether the Revolving Loans being made pursuant to such Borrowing are to be initially maintained as Canadian Prime Rate Loans or Bankers' Acceptance Loans and, if Bankers' Acceptance Loans, the term thereof (which shall comply with the requirements of clause (a) of Schedule III), (vi) in the case of Eurodollar Loans, the initial Interest Period to be applicable thereto, and (vii) whether the Revolving Loans are Dollar Revolving A Loans, Dollar Revolving B Loans, Canadian Revolving A Loans or Canadian Revolving B Loans. The Administrative Agent shall promptly give each Lender which is required to make Revolving Loans of the Tranche specified in the respective Notice of Borrowing, notice of such proposed Borrowing, of such Lender's proportionate share thereof and of the other matters required by the immediately preceding sentence to be specified in the Notice of Borrowing. Notwithstanding anything to the contrary contained in this Agreement, unless the Administrative Agent otherwise agrees, no more than four Notices of Borrowing may be given in any 30 consecutive day period.

(b) Without in any way limiting the obligation of any Borrower to confirm in writing any telephonic notice permitted to be given hereunder, the Administrative Agent or the Issuing Bank (in the case of issuances of Letters of Credit), as the case may be, may act without liability upon the basis of such telephonic notice, believed by the Administrative Agent or the Issuing Bank, as the case may be, in good faith to be from an Authorized Officer of such Borrower prior to receipt of written confirmation. In each such case, each Borrower hereby waives the right to dispute the Administrative Agent's or Issuing Bank's record of the terms of such telephonic notice.

2.04. Extension of Maturity Date. The U.S. Borrower may one time prior to the initial Maturity Date extend the initial Maturity Date to September 10, 2009 subject to the following terms and conditions: (a) not later than 60 days prior to the initial Maturity Date, the U.S. Borrower shall deliver a written notice indicating its intention to extend the initial Maturity Date to the Administrative Agent (which shall promptly notify each of the Lenders), (b) the U.S. Borrower shall pay to each Lender on or before the initial Maturity Date an extension fee equal to .25% of the Revolving Loan Commitment of such Lender being extended, (c) no Default or Event of Default shall exist on the initial Maturity Date, (d) all representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on the initial Maturity Date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date), (e) the Leverage Ratio (computed by taking into account the portion of any Revolving Loans that will continue to remain outstanding after the initial Maturity Date) may not exceed 6.00:1.00 as of the initial Maturity Date (computed as of the end of the fiscal quarter ending closest to June 30, 2008 but on a Pro Forma Basis for events occurring after such date through the initial Maturity Date) and (f) the U.S. Borrower shall deliver to the Administrative Agent on the initial Maturity Date a certificate of an Authorized Officer of the U.S. Borrower certifying as to the compliance with the foregoing provisions of this Section 2.04.

2.05. Disbursement of Funds. No later than 1:00 P.M. (New York time) on the date specified in each Notice of Borrowing, each Lender with a Commitment will make available its pro rata portion (determined in accordance with Section 2.08) of each Borrowing requested to be made on such date in the manner provided below. All such amounts will be made available in Dollars (in the case of Dollar Revolving Loans) or Canadian Dollars (in the case of Canadian Revolving Loans), as the case may be, and in immediately available funds at the appropriate Payment Office of the Administrative Agent, and the Administrative Agent will make available to the relevant Borrower or Borrowers by depositing to its, or their, relevant account as directed by the respective Borrower or Borrowers, the aggregate of the amounts so made available by the Lenders. Unless the Administrative Agent shall have been notified by any Lender prior to the date of Borrowing that such Lender does not intend to make available to the Administrative Agent such Lender's portion of any Borrowing to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing and the Administrative Agent may, in reliance upon such assumption, make available to the relevant Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the respective Borrower or Borrowers, and, to the extent such corresponding amount has previously been disbursed to such Borrower or Borrowers, such Borrower or Borrowers shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent shall also be entitled to recover on demand from such Lender or such Borrower or Borrowers, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the respective Borrower or Borrowers until the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to

(i) if recovered from such Lender, the overnight Federal Funds Rate as in effect from time to time for the first three days and the interest rate applicable to Dollar Revolving Loans maintained as Base Rate Loans for each day thereafter and (ii) if recovered from the respective Borrower or Borrowers, the rate of interest applicable to the respective Borrowing, as determined pursuant to Section 2.09. Nothing in this Section 2.05 shall be deemed to relieve any Lender from its obligation to make Revolving Loans hereunder or to prejudice any rights which the relevant Borrower or Borrowers may have against any Lender as a result of any failure by such Lender to make Revolving Loans required to be made by it hereunder.

2.06. Revolving Notes. (a) Subject to the provisions of the following clause (e), each Borrower's obligation to pay the principal of (or the Face Amount of, as the case may be), and interest on, the Revolving Loans made by each Lender to such Borrower shall be evidenced (i) if Dollar Revolving Loans, by a promissory note duly executed and delivered by the U.S. Borrower substantially in the form of Exhibit B-1, with blanks appropriately completed in conformity herewith (each a "Dollar Revolving Note" and, collectively, the "Dollar Revolving Notes") and (ii) if Canadian Revolving Loans, by a promissory note duly executed and delivered by the respective Canadian Revolving Loan Borrower substantially in the form of Exhibit B-2, with blanks appropriately completed in conformity herewith (each a "Canadian Dollar Revolving Note" and, collectively, the "Canadian Dollar Revolving Notes").

(b) The Dollar Revolving Note issued by the U.S. Borrower to each Lender that has a Revolving Loan Commitment or outstanding Dollar Revolving Loans shall (i) be executed by the U.S. Borrower, (ii) be payable to the order of such Lender and be dated the Effective Date (or, if issued thereafter, the date of issuance), (iii) be in a stated principal amount equal to the Revolving Loan Commitment of such Lender (or, if issued after the termination thereof, be in a stated principal amount equal to the outstanding Dollar Revolving Loans of such Lender to the U.S. Borrower at such time) and be payable in Dollars in the outstanding principal amount of Dollar Revolving Loans evidenced thereby, (iv) mature on the Maturity Date, (v) bear interest as provided in the appropriate clause of Section 2.09 in respect of Base Rate Loans and Eurodollar Loans, as the case may be, evidenced thereby, (vi) be subject to voluntary prepayment as provided in Section 5.01, and mandatory repayment as provided in Section 5.02 and (vii) be entitled to the benefits of this Agreement and the other Credit Documents.

(c) The Canadian Dollar Revolving Note issued by each Canadian Revolving Loan Borrower shall (i) be executed by the respective Canadian Revolving Loan Borrower, (ii) be payable to the order of the applicable Canadian Lender (or an affiliate designated by such Lender) and be dated the Effective Date (or, if issued thereafter, the date of issuance), (iii) be in a stated principal amount (expressed in Canadian Dollars) which exceeds by 25% the Canadian Dollar Equivalent (as of the date of issuance) of the respective Lender's Maximum Canadian Dollar Revolving Loan Sub-Commitment; provided that if, because of fluctuations in exchange rates after the Effective Date, the amount of the Canadian Dollar Revolving Note of any Canadian Revolving Loan Borrower held by any Lender would not be at least as great as the outstanding principal amount of, and the Face Amount of, as applicable, Canadian Revolving Loans made by such Lender to such Canadian Revolving Loan Borrower and evidenced thereby, the respective Lender may request (and in such case the respective Canadian Revolving Loan Borrower shall promptly execute and deliver (provided that such Lender shall return to the Canadian Revolving Loan Borrower any Revolving Note or Revolving

Notes theretofore delivered to such Lender pursuant to this Agreement marked "cancelled", or if such Lender has lost or cannot find any such Revolving Note or Revolving Notes, such Lender will execute and deliver to such Borrower a lost note and indemnity agreement in form and substance as is usual and customary)) a new Canadian Dollar Revolving Note in an amount equal to the greater of (x) that amount (expressed in Canadian Dollars) which at that time exceeds by 25% the Canadian Dollar Equivalent of the respective Lender's Maximum Canadian Dollar Revolving Loan Sub-Commitment or (y) the then outstanding principal amount of, and the Face Amount of, as applicable, all Canadian Revolving Loans made by such Lender to such Canadian Revolving Loan Borrower, (iv) be payable in Canadian Dollars in the outstanding principal amount of, and Face Amount of, as applicable, the Canadian Revolving Loans made to the respective Canadian Revolving Loan Borrower and evidenced thereby, (v) mature on the Maturity Date, (vi) bear interest as provided in the appropriate clause of Section 2.09 in respect of the Canadian Revolving Loans evidenced thereby, (vii) be subject to voluntary prepayment as provided in Section 5.01, and mandatory repayment as provided in Section 5.02 and (viii) be entitled to the benefits of this Agreement and the other Credit Documents.

(d) Each Lender will note on its internal records the amount of each Revolving Loan made by it to each Borrower and each payment in respect thereof and will prior to any transfer of any of its Revolving Notes endorse on the reverse side thereof the outstanding principal amount of Revolving Loans (including, without limitation, the Face Amount of any Bankers' Acceptances) evidenced thereby. Failure to make any such notation, or any error in such notation, shall not affect any Borrower's obligations in respect of such Revolving Loans.

(e) Notwithstanding anything to the contrary contained above or elsewhere in this Agreement, Revolving Notes shall only be delivered to Lenders with Revolving Loans which at any time specifically request the delivery of such Revolving Notes. No failure of any Lender to request or obtain a Revolving Note evidencing its Revolving Loans or to any Borrower shall affect or in any manner impair the obligations of the respective Borrower or Borrowers to pay the Revolving Loans (and all related Obligations) which would otherwise be evidenced thereby in accordance with the requirements of this Agreement, and shall not in any way affect the security or guaranties therefor provided pursuant to the various Credit Documents. Any Lender which does not have a Revolving Note evidencing its outstanding Revolving Loans shall in no event be required to make the notations on a Revolving Note otherwise required in preceding clause (d). At any time when any Lender requests the delivery of a Revolving Note to evidence its Revolving Loans, the respective Borrower or Borrowers shall promptly execute and deliver to the respective Lender the requested Revolving Note or Revolving Notes in the appropriate amount or amounts to evidence such Revolving Loans.

2.07. Conversions. (a) Each Borrower shall have the option to convert, on any Business Day, all or a portion equal to at least the Minimum Borrowing Amount (for the Type of Revolving Loan into which the conversion is being made), of the outstanding principal amount of Dollar Revolving Loans made to such Borrower pursuant to one or more Borrowings of one or more Types of Revolving Loans into a Borrowing of another Type of Revolving Loan, provided that, (i) Dollar Revolving Loans shall not be permitted to be converted into Canadian Revolving Revolving Loans, and Canadian Revolving Loans shall not be permitted to be converted into Dollar Revolving Loans, (ii) except as provided in Section 2.07(d), Revolving Loans of one Tranche may not be converted into Revolving Loans of another Tranche, (iii) if Eurodollar Loans

are converted into Base Rate Loans on a date other than the last day of an Interest Period applicable to the Revolving Loans being converted, the respective Borrower shall compensate the applicable Lenders for any breakage costs incurred in connection therewith as set forth in Section 2.12, (iv) no such partial conversion of Eurodollar Loans shall reduce the outstanding principal amount of such Eurodollar Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount for Eurodollar Loans of the respective Tranche, (v) unless the Required Lenders otherwise agree, Base Rate Loans may not be converted into Eurodollar Loans if any Default or Event of Default exists on the date of conversion, and (vi) no conversion pursuant to this Section 2.07 shall result in a greater number of Borrowings of Eurodollar Loans than is permitted under Section 2.02. Each such conversion shall be effected by the respective Borrower giving the Administrative Agent at the Notice Office, prior to 12:00 Noon (New York time), at least three (3) Business Days' prior notice (each a "Notice of Conversion") specifying the Revolving Loans to be so converted, the Borrowing or Borrowings pursuant to which such Revolving Loans were made and, if to be converted into Eurodollar Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall give each Lender prompt notice of any such proposed conversion affecting any of its Revolving Loans.

(b) Each Canadian Revolving Loan Borrower shall be entitled: (i) to convert from time to time any Canadian Prime Rate Loans then outstanding under a Tranche into Bankers' Acceptance Loans under such Tranche in an aggregate Face Amount equal to the aggregate principal amount in Canadian Dollars of such outstanding Canadian Prime Rate Loans; provided that the applicable Canadian Revolving Loan Borrower shall pay the proceeds of such Bankers' Acceptance Loans, together with such additional funds as may be required, to the Administrative Agent for the account of the Canadian Lenders to repay such outstanding Canadian Prime Rate Loans, and provided further that such Canadian Prime Rate Loans are repaid and such Bankers' Acceptance Loans are obtained in accordance with Section 2 and any other applicable provisions of this Agreement; and (ii) contemporaneously with the maturity of any Bankers' Acceptance Loans outstanding under the Canadian Dollar Loan Sub-Commitments, to obtain Bankers' Acceptance Loans or Canadian Prime Rate Loans under a Tranche in an aggregate Face Amount or principal amount as the case may be, equal to the aggregate Face Amount of such maturing Bankers' Acceptance Loans of such Tranche, provided that the applicable Canadian Revolving Loan Borrower shall pay the proceeds of such new Canadian Revolving Loan together with such additional funds as may be required to the Administrative Agent for the account of the Canadian Lenders to repay such maturing Bankers' Acceptance Loans, and provided further that such new Canadian Revolving Loans are obtained in accordance with Section 2 and any other applicable provisions of this Agreement.

(c) Mandatory conversions of Bankers' Acceptance Loans into Canadian Prime Rate Loans shall be made in the circumstances, and to the extent, provided in clause (i) of Schedule III. Except as otherwise provided under Section 2.17, Bankers' Acceptance Loans shall not be permitted to be converted into any other Type of Revolving Loan prior to the maturity date of the respective Bankers' Acceptance Loan.

(d) Each Borrower shall have the option to convert, on any Business Day, (i) all or a portion of any Revolving Loan of a Tranche into a Revolving Loan of the other Tranche or (ii) any Letter of Credit utilizing one Tranche into a Letter of Credit utilizing the other Tranche; provided that (1) in the case of any conversion from a Revolving Loan or Letter

of Credit utilizing the Total Revolving A Loan Capacity into a Revolving Loan or Letter of Credit utilizing the Total Revolving B Loan Capacity, (x) the conditions set forth in Section 2.01(b)(iv), (v) and (vi) (or, in the case of Letter of Credit, Section 3.02(a)(ii)) shall be satisfied as if the conversion constituted a new borrowing (or letter of credit issuance) thereunder and (y) the Applicable Margin shall be increased or decreased, as the case may be, effective on the date of conversion (or, in the case of a Banker's Acceptance, the Additional Acceptance Fee shall become payable as described in clause (y) of Schedule III hereto); and (2) in the case of any conversion from a Revolving Loan or Letter of Credit utilizing the Total Revolving B Loan Capacity into a Revolving Loan or Letter of Credit utilizing the Total Revolving A Loan Capacity, (x) the conditions set forth in Section 2.01(a)(iv), (v), (vi) and (vii) (or, in the case of Letter of Credit, Section 3.02(a)(ii)) shall be satisfied as if the conversion constituted a new borrowing (or letter of credit issuance) thereunder and (y) the Applicable Margin shall be increased or decreased, as the case may be, effective on the date of conversion (or, in the case of a Banker's Acceptance, the Acceptance Fee Rebate shall become payable as described in clause (g) of Schedule III hereto). Each such conversion shall be effected by the respective Borrower by delivering to the Administrative Agent at the Notice Office, prior to 12:00 Noon (New York time), at least three (3) Business Days' prior to the effective date of the conversion, a Notice of Conversion specifying the Revolving Loans and Letters of Credit to be so converted and the Borrowing or Borrowings pursuant to which such Revolving Loans were made. Without limiting any conversion rights pursuant to Section 2.07(a), no conversion pursuant to this Section 2.07(d) shall alter the Interest Period applicable to any Revolving Loans subject to such conversion. The Administrative Agent shall give each Lender prompt notice of any such proposed conversion affecting any of its Revolving Loans.

2.08. Pro Rata Borrowings. Subject to the provisions of Section 2.17(b), all Borrowings of Dollar Revolving Loans of a Tranche under this Agreement shall be incurred from the RL Lenders pro rata on the basis of their Dollar Percentages and (ii) all Borrowings of Canadian Revolving Loans under this Agreement shall be incurred from the Canadian Lenders pro rata on the basis of their Canadian RL Percentage. No Lender shall be responsible for any default by any other Lender of its obligation to make Revolving Loans hereunder and each Lender shall be obligated to make the Revolving Loans provided to be made by it hereunder, regardless of the failure of any other Lender to make its Revolving Loans hereunder.

2.09. Interest. (a) Each Borrower hereby agrees to pay interest in respect of the unpaid principal amount of each Base Rate Loan made to it from the date of Borrowing until the earlier of (x) the maturity thereof (whether by acceleration, prepayment or otherwise) and (y) the conversion of such Base Rate Loan to a Eurodollar Loan pursuant to Section 2.07, at a rate per annum which shall be equal to the sum of the Applicable Margin plus the Base Rate, each as in effect from time to time.

(b) Each Borrower hereby agrees to pay interest in respect of the unpaid principal amount of each Eurodollar Loan made to it from the date of Borrowing until the earlier of (x) the maturity thereof (whether by acceleration, prepayment or otherwise) and (y) the conversion of such Eurodollar Loan to a Base Rate Loan pursuant to Section 2.07, 2.10, or 2.11, as applicable, at a rate per annum which shall, during each Interest Period applicable thereto, be equal to the sum of the Applicable Margin as in effect from time to time plus the Eurodollar Rate for such Interest Period.

(c) Each Canadian Revolving Loan Borrower hereby agrees to pay interest in respect of the unpaid principal amount of each Canadian Prime Rate Loan made to such Borrower from the date of Borrowing (which shall, in the case of a conversion pursuant to clause (i) of Schedule III, be deemed to be the date upon which a maturing Bankers' Acceptance is converted into a Canadian Prime Rate Loan pursuant to said clause (i), with the proceeds thereof to be equal to the full Face Amount of the maturing Bankers' Acceptances) until the maturity thereof (whether by acceleration or otherwise) or earlier repayment thereof or conversion thereof pursuant to Section 2.17 at a rate per annum which shall be equal to the sum of the Applicable Margin plus the Canadian Prime Rate, each as in effect from time to time.

(d) With respect to Bankers' Acceptance Loans, Acceptance Fees shall be payable in connection therewith as provided in clause (g) of Schedule III. Until maturity of the respective Banker's Acceptances, interest shall not otherwise be payable with respect thereto.

(e) Overdue principal and, to the extent permitted by law, overdue interest in respect of each Revolving Loan and any other overdue amount payable hereunder shall, in each case, bear interest at a rate per annum (1) in the case of overdue principal of, and interest or other amounts owing with respect to, Canadian Revolving Loans and any other amounts owing in Canadian Dollars, equal to 2% per annum plus the Applicable Margin for Canadian Prime Rate Loans plus the Canadian Prime Rate, each as in effect from time to time, and (2) in all other cases, equal to the greater of (x) 2% per annum plus the rate otherwise applicable to Base Rate Loans of the respective Tranche (or in the case of amounts which do not relate to a given Tranche of outstanding Dollar Revolving Loans, 2% per annum plus the rate otherwise applicable to Revolving Loans maintained as Base Rate Loans) from time to time and (y) the rate which is 2% plus the rate then borne by such Revolving Loans (without giving effect to any increase in the rate borne by such Revolving Loans as a result of the operation of this clause (e)).

(f) Accrued (and theretofore unpaid) interest shall be payable (i) in respect of each Base Rate Loan and each Canadian Prime Rate Loan, monthly in arrears on the last Business Day of each calendar month after the Effective Date, (ii) in the case of any Eurodollar Loan, on the date of any conversion to a Base Rate Loan pursuant to Section 2.07, 2.10 or 2.11, as applicable (on the amount so converted), (iii) in respect of each Eurodollar Loan, on the last day of each Interest Period applicable thereto (and, in addition in the case of any Interest Period with a duration of six months, at the date which occurs three calendar months after the first day of such Interest Period), and (iv) in respect of each Revolving Loan (other than Bankers' Acceptances), on any repayment or prepayment (on the amount repaid or prepaid), at maturity (whether by acceleration or otherwise) and, after such maturity, on demand; provided that, in the case of Base Rate Loans and Canadian Revolving Loans, interest shall not be payable pursuant to preceding clause (iv) at the time of any repayment or prepayment thereof unless the respective repayment or prepayment is made in conjunction with a permanent reduction of the Total Revolving Loan Commitment.

(g) Upon each Interest Determination Date, the Administrative Agent shall determine the respective Eurodollar Rate for the respective Interest Period or Interest Periods to be applicable to Eurodollar Loans and shall promptly notify the respective Borrower

and the Lenders thereof. Each such determination shall, absent manifest error, be final and conclusive and binding on all parties hereto.

2.10. Interest Periods. At the time it gives any Notice of Borrowing or Notice of Conversion in respect of the making of, or conversion into, any Eurodollar Loan (in the case of the initial Interest Period applicable thereto) or on the third Business Day prior to the expiration of an Interest Period applicable to such Eurodollar Loan (in the case of any subsequent Interest Period), the respective Borrower or Borrowers shall have the right to elect, by giving the Administrative Agent (and the Administrative Agent shall promptly give each affected Lender notice) notice thereof, the interest period (each an "Interest Period") applicable to such Eurodollar Loan, which Interest Period shall, at the option of such Borrower, be a one, two, three or six month period, provided that:

(i) all Eurodollar Loans comprising a single Borrowing shall at all times have the same Interest Period;

(ii) the initial Interest Period for any Borrowing of Eurodollar Loans shall commence on the date of such Borrowing (including, in the case of Dollar Revolving Loans, the date of any conversion thereto from a Dollar Revolving Loan of a different Type) and each Interest Period occurring thereafter in respect of such Borrowing of Eurodollar Loans shall commence on the day on which the next preceding Interest Period applicable thereto expires;

(iii) if any Interest Period for a Eurodollar Loan begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of such calendar month;

(iv) if any Interest Period for a Eurodollar Loan would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided, however, that if any Interest Period for a Eurodollar Loan would otherwise expire on a day which is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

(v) unless the Required Lenders otherwise agree, no Interest Period may be selected at any time when any Default or Event of Default is in existence;

(vi) no Interest Period in respect of any Borrowing of any Tranche of Revolving Loans shall be selected which extends beyond the Maturity Date; and

(vii) no Interest Period in respect of any Borrowing of Revolving Loans shall be selected if the U.S. Borrower then knows that such Interest Period extends beyond the date upon which a mandatory repayment of such Tranche of Revolving Loans will be required to be made under Section 5.02 if the aggregate principal amount of Revolving Loans of such Tranche which have Interest Periods which will expire after such date will be in excess of the aggregate principal amount of Revolving Loans of such Tranche permitted to be outstanding after such mandatory repayment.

Prior to the termination of any Interest Period applicable to Eurodollar Loans, the U.S. Borrower may, at its option, designate that the respective Borrowing subject thereto be split into more than one Borrowing (for purposes of electing multiple Interest Periods to be subsequently applicable thereto), so long as each such Borrowing resulting from the action taken pursuant to this sentence meets the Minimum Borrowing Amount for the respective Tranche. If upon the expiration of any Interest Period applicable to a Borrowing of Eurodollar Loans, the U.S. Borrower has failed to elect, or is not permitted to elect, a new Interest Period to be applicable to such Eurodollar Loans as provided above, it shall be deemed to have elected to convert such Eurodollar Loans into Base Rate Loans, effective as of the expiration date of such current Interest Period.

2.11. Increased Costs, Illegality, etc. (a) In the event that any Lender shall have determined in good faith (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto but, with respect to clause (i) below, may be made only by the Administrative Agent):

(i) on any Interest Determination Date that, by reason of any changes arising after the date of this Agreement affecting the applicable interbank market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of Eurodollar Rate; or

(ii) at any time, that such Lender shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any Eurodollar Loan because of (x) the adoption after the date hereof or any change arising after the date of this Agreement in any applicable law or governmental rule, regulation, order, guideline or request (whether or not having the force of law) or in the interpretation or administration thereof and including the introduction of any new law or governmental rule, regulation, order, guideline or request, such as, for example, but not limited to: (A) a change in the basis of taxation of payment to any Lender of the principal of or interest on the Revolving Notes or any other amounts payable hereunder (except for changes in the rate of tax on, or determined by reference to, the net income or profits of such Lender pursuant to the laws of the jurisdiction in which it is organized or in which its principal office or applicable lending office or other permanent establishment of such Lender is located or any subdivision thereof or therein) or (B) a change in official reserve requirements (other than Eurodollar reserves required under Regulation D to the extent included in the computation of the Eurodollar Rate) or any special deposit, assessment or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (or its applicable lending office) and/or (y) other circumstances since the date of this Agreement affecting the applicable interbank market; or

(iii) at any time after the date of this Agreement, that the making or continuance of any Eurodollar Loan has been made (x) unlawful by any law or governmental rule, regulation or order, (y) impossible by compliance by any Lender in good faith with any governmental request (whether or not having the force of law) or (z) impracticable as a result of a contingency occurring after the date of this Agreement which materially and adversely affects the applicable interbank market.

then, and in any such event, such Lender (or the Administrative Agent, in the case of clause (i) above) shall promptly give notice (by telephone promptly confirmed in writing) to the respective Borrower or Borrowers and, except in the case of clause (i) above, to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (w) in the case of clause (i) above, Eurodollar Loans shall no longer be available until such time as the Administrative Agent notifies the U.S. Borrower and the Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist, and any Notice of Borrowing or Notice of Conversion given by any Borrower with respect to Eurodollar Loans which have not yet been incurred (including by way of conversion) shall be deemed rescinded by the respective Borrower, (x) in the case of clause (ii) above, the respective Borrower or Borrowers shall pay to such Lender, upon its written request therefor, such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender shall determine) as shall be required to compensate such Lender for such increased costs or reductions in amounts received or receivable hereunder (a written notice as to the additional amounts owed to such Lender, showing in reasonable detail the basis for the calculation thereof, submitted to the respective Borrower or Borrowers by such Lender shall, absent manifest error, be final and conclusive and binding on all the parties hereto), and (y) in the case of clause (iii) above, the respective Borrower or Borrowers shall take one of the actions specified in Section 2.11(b) as promptly as possible and, in any event, within the time period required by law.

(b) At any time that any Eurodollar Loan is affected by the circumstances described in Section 2.11(a)(ii) or (a)(iii), the respective Borrower or Borrowers may (and in the case of a Eurodollar Loan affected by the circumstances described in Section 2.11(a)(iii) shall) either (x) if the affected Eurodollar Loan is then being made initially or pursuant to a conversion, cancel the respective Borrowing by giving the Administrative Agent telephonic notice (confirmed in writing) on the same date that such Borrower was notified by the affected Lender or the Administrative Agent or (y) if the affected Eurodollar Loan is then outstanding, upon at least three Business Days' written notice to the Administrative Agent, request the affected Lender to convert such Eurodollar Loan into a Base Rate Loan (which conversion, in the case of the circumstances described in Section 2.11(a)(iii)) shall occur no later than the last day of the Interest Period then applicable to such Eurodollar Loan (or such earlier date as shall be required by applicable law)); provided that, if more than one Lender is affected at any time as described above in this clause (b), then all affected Lenders must be treated the same pursuant to this Section 2.11(b).

(c) If at any time after the date of this Agreement any Lender determines that the introduction of or any change (which introduction or change shall have occurred after the date of this Agreement) in any applicable law or governmental rule, regulation, order, guideline, directive or request (whether or not having the force of law) concerning capital adequacy, or any change in interpretation or administration thereof by any governmental authority, central bank or comparable agency, will have the effect of increasing the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender based on the existence of such Lender's Commitments hereunder or its obligations hereunder, then the U.S. Borrower and the Canadian Revolving Loan Borrowers, as applicable, agree to pay to such Lender, upon its written demand therefor, such additional amounts as shall be required to compensate such Lender or such other corporation for the increased cost to such

Lender or such other corporation or the reduction in the rate of return to such Lender or such other corporation as a result of such increase of capital. In determining such additional amounts, each Lender will act reasonably and in good faith and will use averaging and attribution methods which are reasonable, provided that such Lender's reasonable good faith determination of compensation owing under this Section 2.11(c) shall, absent manifest error, be final and conclusive and binding on all the parties hereto. Each Lender, upon determining that any additional amounts will be payable pursuant to this Section 2.11(c), will give prompt written notice thereof to the Borrowers, which notice shall show in reasonable detail the basis for calculation of such additional amounts and shall, absent manifest error, be final and conclusive and binding on all the parties hereto. In addition, each such Lender, upon determining that the circumstances giving rise to the payment of additional amounts pursuant to this Section 2.11(c) cease to exist, will give prompt written notice thereof to the U.S. Borrower.

2.12. Compensation. The respective Borrower or Borrowers shall compensate each Lender, upon its written request (which request shall set forth the basis for requesting such compensation), for all reasonable losses, expenses and liabilities (including, without limitation, any loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund its Eurodollar Loans, but excluding loss of anticipated profits) which such Lender may sustain: (i) if for any reason (other than a default by such Lender) a Borrowing or continuation of, or conversion from or into, Eurodollar Loans does not occur on a date specified therefor in a Notice of Borrowing or Notice of Conversion (whether or not rescinded or deemed rescinded pursuant to Section 2.11(a); (ii) if any repayment (including any repayment made pursuant to Sections 2.16, 5.01 or 5.02 or as a result of an acceleration of the Revolving Loans pursuant to Section 12) or conversion of any Eurodollar Loans occurs on a date which is not the last day of an Interest Period with respect thereto; (iii) if any repayment (including any repayment made pursuant to Sections 2.16, 5.01 or 5.02 or as a result of an acceleration of the Revolving Loans pursuant to Section 12) of any Bankers' Acceptance Loan occurs on a date which is not the maturity date of the respective Bankers' Acceptance; (iv) if any prepayment of any Eurodollar Loans or Bankers' Acceptance Loans is not made on any date specified in a notice of prepayment given by the respective Borrower or Borrowers; (v) as a consequence of (x) any other default by the respective Borrower or Borrowers to repay its Revolving Loans when required by the terms of this Agreement or any Revolving Note held by such Lender or (y) any election made pursuant to Section 2.11(b) or (vi) as a result of any repayment or purchase contemplated by Section 2.18(e). A written notice as to the amount owed to a Lender pursuant to this Section 2.12 shall show in reasonable detail the basis of calculation of such amount and shall, absent manifest error, be final and conclusive and binding on all the parties hereto.

2.13. Lending Offices; Changes Thereto. (a) Each Lender may at any time or from time to time designate, by written notice to the Administrative Agent to the extent not already reflected on Schedule II, one or more lending offices (which, for this purpose, may include Affiliates of the respective Lender) for the various Revolving Loans made, and Letters of Credit participated in, by such Lender (including by designating a separate lending office (or Affiliate) to act as such with respect to Dollar Revolving Loans and Letter of Credit Outstandings versus Canadian Revolving Loans); provided that, for designations made after the Effective Date, to the extent such designation shall result in increased costs or Taxes under Section 2.11, 3.06 or 5.04 in excess of those which would be charged in the absence of the designation of a different

lending office (including a different Affiliate of the respective Lender), then the Borrowers shall not be obligated to pay such excess increased costs (although the Borrowers, in accordance with and pursuant to the other provisions of this Agreement, shall be obligated to pay the costs which would apply in the absence of such designation and any subsequent increased costs of the type described above resulting from changes after the date of the respective designation). Each lending office and Affiliate of any Lender designated as provided above shall, for all purposes of this Agreement, be treated in the same manner as the respective Lender (and shall be entitled to all indemnities and similar provisions in respect of its acting as such hereunder).

(b) Each Lender agrees that on the occurrence of any event giving rise to the operation of Section 2.11(a)(ii) or (iii), Section 2.11(c), Section 3.06 or Section 5.04 with respect to such Lender, it will, if requested by the applicable Borrower or Borrowers, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Revolving Loans or Letters of Credit affected by such event, provided that such designation is made on such terms that such Lender and its lending office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of such Section. Nothing in this Section 2.13 shall affect or postpone any of the obligations of any Borrower or the right of any Lender provided in Sections 2.11, 3.06 and 5.04.

2.14. Replacement of Lenders. (a) (x) If any Lender becomes a Defaulting Lender or otherwise defaults in its obligations to make Revolving Loans or fund Unpaid Drawings, (y) upon the occurrence of an event giving rise to the operation of Section 2.11(a)(ii) or (iii), Section 2.11(c), Section 3.06 or Section 5.04 with respect to any Lender which results in such Lender charging to any Borrower increased costs in excess of those being generally charged by the other Lenders or (z) in the case of the refusal by a Lender to consent to proposed changes, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Lenders as (and to the extent) provided in Section 14.11, the U.S. Borrower shall have the right, if no Default or Event of Default will exist immediately after giving effect to such replacement, to replace such Lender (the "Replaced Lender") with one or more other Eligible Transferees, none of whom shall constitute a Defaulting Lender at the time of such replacement (collectively, the "Replacement Lender") and each of whom shall be required to be reasonably acceptable to the Administrative Agent, the Issuing Bank and, if the Person serving as the Administrative Agent is not a Canadian Lender, any Canadian Lender whose Maximum Canadian Dollar Revolving Loan Sub-Commitment is not exceeded by any other Canadian Lender; provided that:

(i) any Replacement Lender in a replacement pursuant to this Section 2.14(a) (with each such replacement being herein called a "Replacement") shall be required to comply with the requirements of Section 14.03(b) and at the time of any Replacement the Replacement Lender shall enter into one or more Assignment and Assumption Agreements pursuant to Section 14.03(b) (and shall pay all fees payable pursuant to said Section 14.03(b)) pursuant to which the Replacement Lender shall acquire all of the Commitments (and related sub-commitments) and outstanding Revolving Loans of, and in each case participations in Letters of Credit by, the Replaced Lender and, in connection therewith, shall pay to (x) the Replaced Lender in respect thereof amounts (in the respective currencies in which such obligations are denominated)

equal to the sum of (I) the principal of (including, without limitation, the Face Amount of Bankers' Acceptance Loans), and all accrued interest on, all outstanding Revolving Loans of the Replaced Lender, (II) all Unpaid Drawings that have been funded by (and not reimbursed to) such Replaced Lender, together with all then unpaid interest with respect thereto at such time and (III) all accrued, but theretofore unpaid, Fees owing to the Replaced Lender pursuant to Section 4.01, and (y) the Issuing Bank an amount equal to such Replaced Lender's Dollar Percentage of any Unpaid Drawing (which at such time remains an Unpaid Drawing) to the extent such amount was not theretofore funded by such Replaced Lender to such Issuing Bank and

(ii) all obligations of the Borrowers due and owing to the Replaced Lender at such time (other than those specifically described in clause (i) above in respect of which the assignment purchase price has been, or is concurrently being, paid) shall be paid in full to such Replaced Lender concurrently with such replacement.

(b) Upon the execution of the respective Assignment and Assumption Agreements, the payment of amounts referred to in clauses (i) and (ii) above, recordation of the assignment on the Register by the Administrative Agent pursuant to Section 14.14 and, if so requested by the Replacement Lender, delivery to the Replacement Lender of the appropriate Revolving Note or Revolving Notes executed by the respective Borrowers, the Replacement Lender shall become a Lender hereunder and the Replaced Lender shall cease to constitute a Lender hereunder, except with respect to indemnification provisions under this Agreement (including, without limitation, Sections 2.11, 2.12, 2.16, 3.06, 5.04, 13.06 and 14.01), which shall survive as to such Replaced Lender. In connection with any replacement of Lenders pursuant to, and as contemplated by, this Section 2.14, each of the Borrowers hereby irrevocably authorizes the U.S. Borrower to take all necessary action, in the name of the U.S. Borrower, as described above in this Section 2.14 in order to effect the replacement of the respective Lender or Lenders in accordance with the preceding provisions of this Section 2.14. Upon the Replaced Lender ceasing to be a Lender hereunder, such Replaced Lender agrees to promptly return to the U.S. Borrower any Revolving Note or Revolving Notes theretofore delivered to such Replaced Lender pursuant to this Agreement marked "cancelled", or if such Replaced Lender has lost or cannot find any such Revolving Note or Revolving Notes, such Replaced Lender will execute and deliver to the U.S. Borrower a customary lost note and indemnity agreement in form and substance reasonably satisfactory to the U.S. Borrower.

2.15. Bankers' Acceptance Provisions. The parties hereto agree that the provisions of Schedule III shall apply to all Bankers' Acceptances and Bankers' Acceptance Loans created hereunder, and that the provisions of Schedule III shall be deemed incorporated by reference into this Agreement as if such provisions were set forth in their entirety herein.

2.16. Additional Revolving Loan Commitments. (a) So long as no Default or Event of Default then exists or would result therefrom, the U.S. Borrower shall have the right at any time and from time to time after the Effective Date and on or prior to 30 days prior to the Maturity Date, and upon at least 15 Business Days prior written notice to the Administrative Agent (which shall promptly notify each of the Lenders), to request on up to four occasions that one or more Lenders (and/or one or more other Persons which will become Lenders as provided in clause (vii) below (a "New Lender")) provide Additional Revolving Loan Commitments

(which may in the case of Canadian Lenders (or, in the circumstances contemplated by clause (vii) below, any other Person that becomes a Canadian Lender (a "New Canadian Lender")) include a Canadian Dollar Revolving Loan Sub-Commitment) and, subject to the applicable terms and conditions contained in this Agreement, make Dollar Revolving Loans or Canadian Revolving Loans, as the case may be, pursuant thereto, it being understood and agreed, however, that (i) no Lender shall be obligated to provide an Additional Revolving Loan Commitment as a result of any such request by the U.S. Borrower, (ii) until such time, if any, as such Lender has agreed in its sole discretion to provide an Additional Revolving Loan Commitment and executed and delivered to the Administrative Agent an Additional Revolving Loan Commitment Agreement in respect thereof as provided in Section 2.16(b) and such Additional Revolving Loan Commitment Agreement has become effective, such Lender shall not be obligated to fund any Revolving Loans in excess of its Revolving Loan Commitment as in effect prior to giving effect to such Additional Revolving Loan Commitments provided pursuant to this Section 2.16, (iii) any Lender or New Lender may so provide an Additional Revolving Loan Commitment (and any Canadian Lender or any New Canadian Lender may so provide a Canadian Revolving Loan Sub-Commitment) without the consent of any other Lender but with the prior consent of the Administrative Agent (which consent shall not be unreasonably withheld), (iv) each provision of Additional Revolving Loan Commitments on a given date pursuant to this Section 2.16 shall be in a minimum aggregate amount (for all Lenders (including, New Lenders)) of at least $10,000,000 and in integral multiples of $1,000,000 in excess thereof, (v) the aggregate amount of all Additional Revolving Loan Commitments permitted to be provided pursuant to this Section 2.16 shall not exceed $100,000,000, (vi) the fees payable to any Lender (including any New Lender) providing an Additional Revolving Loan Commitment shall be as set forth in the relevant Additional Revolving Loan Commitment Agreement, (vii) if, after the U.S. Borrower has requested the then existing Lenders (other than Defaulting Lenders) to provide Additional Revolving Loan Commitments pursuant to this Section 2.16, the U.S. Borrower has not received Additional Revolving Loan Commitments in an aggregate amount equal to that amount of the Additional Revolving Loan Commitments which the U.S. Borrower desires to obtain pursuant to such request (as set forth in the notice provided by the U.S. Borrower to the Administrative Agent as provided above), then the U.S. Borrower may request Additional Revolving Loan Commitments (including additional Canadian Dollar Revolving Loan Sub-Commitments) from Persons which would qualify as Eligible Transferees hereunder (or from Persons who qualify as a Canadian Lender in the case of the Canadian Dollar Revolving Loan Sub-Commitment) in an aggregate amount equal to such deficiency on terms which are no more favorable to such Eligible Transferee (or other Person qualifying as a Canadian Lender) in any respect than the terms offered to the Lenders, provided that any such Additional Revolving Loan Commitments provided by any such Eligible Transferee (or other Person qualifying as a Canadian Lender) which is not already a Lender shall be in a minimum amount (for such Eligible Transferee) of at least $10,000,000, and (viii) all actions taken by the U.S. Borrower pursuant to this Section 2.16 shall be done in coordination with the Administrative Agent.

(b) At the time of any provision of Additional Revolving Loan Commitments pursuant to this Section 2.16, (i) the U.S. Borrower, the Administrative Agent and each Lender or other Eligible Transferee (each, an "Additional Revolving Loan Lender") which agrees to provide an Additional Revolving Loan Commitment shall execute and deliver to the Administrative Agent an Additional Revolving Loan Commitment Agreement substantially in the form of Exhibit J (appropriately completed), subject to such modifications in form and

substance reasonably satisfactory to the Administrative Agent as may be necessary or appropriate (with the effectiveness of such Additional Revolving Loan Lender's Additional Revolving Loan Commitment to occur upon delivery of such Additional Revolving Loan Commitment Agreement to the Administrative Agent, the payment of any fees required in connection therewith and the satisfaction of the other conditions in this Section 2.16(b) to the reasonable satisfaction of the Administrative Agent), (ii) the U.S. Borrower shall, in coordination with the Administrative Agent, repay outstanding Revolving Loans of certain of the Lenders, and incur additional Revolving Loans from certain other Lenders, in each case so that all of the Lenders participate in each outstanding Borrowing of Revolving Loans pro rata on the basis of their respective Revolving Loan Commitments (after giving effect to any increase in the Total Revolving Loan Commitment pursuant to this Section 2.16) and with the U.S. Borrower being obligated to pay to the respective Lenders the costs of the type referred to in Section 2.12 in connection with any such repayment and (iii) if requested by the Administrative Agent, the U.S. Borrower shall deliver to the Administrative Agent an opinion, in form and substance reasonably satisfactory to the Administrative Agent, from counsel to the U.S. Borrower and dated such date, covering such matters similar to those set forth in the opinions of counsel delivered to the Administrative Agent on the Effective Date pursuant to Section 6.02 and such other matters as the Administrative Agent may reasonably request. The Administrative Agent shall promptly notify each Lender as to the occurrence of each Additional Revolving Loan Commitment Date, and (v) on each such date, the Total Revolving Loan Commitment under, and for all purposes of, this Agreement shall be increased by the aggregate amount of such Additional Revolving Loan Commitments, (w) on each such date, the Total Revolving A Loan Capacity shall be increased by either (1) a fraction of the aggregate amount of such Additional Revolving Loan Commitments, the numerator of which is the Total Revolving A Loan Capacity as of such date and the denominator of which is the Total Revolving Loan Commitments prior to giving effect to such Additional Revolving Loan Commitments or (2) such greater amount as the U.S. Borrower shall designate (provided that such designated increase in the Total Revolving A Loan Capacity shall not exceed the aggregate amount of such Additional Revolving Loan Commitments), and the Total Revolving B Loan Capacity shall be increased by the aggregate amount of such Additional Revolving Loan Commitments minus the increase in the Total Revolving A Loan Capacity on such date pursuant to this clause (w), (x) on each such date Schedule I-A shall be deemed modified to reflect the revised Revolving Loan Commitments of the affected Lenders, (y) on each such date on which an additional Canadian Dollar Revolving Loan Sub-Commitment is provided, Schedule I-B shall be deemed modified to reflect the revised Canadian Dollar Revolving Loan Subcommitment of the affected Canadian Lenders and (z) the availability amounts set forth in clauses (B), (C) and (D) of Section 2.01(a)(vii) shall automatically be increased by the same percentage as the percentage increase in the Total Revolving A Loan Capacity pursuant to this Section 2.16.

2.17. Special Provisions Regarding RL Lenders and Canadian Revolving Loans.

(a) On the fifth Business Day after the occurrence of a Sharing Event, automatically (and without the taking of any action) (x) all then outstanding Canadian Revolving Loans of a Tranche shall be automatically converted into Dollar Revolving Loans of such Tranche (in an amount equal to the Dollar Equivalent of the aggregate principal amount or Face Amount, as the case may be, of the respective Canadian Revolving Loans of such Tranche on the date such Sharing Event first occurred, which Dollar Revolving Loans shall be owed by the

respective Canadian Revolving Loan Borrower, shall thereafter be deemed to be Base Rate Loans and shall be immediately due and payable on the date such Sharing Event has occurred) and (y) all accrued and unpaid interest and other amounts owing with respect to such Canadian Revolving Loans shall be immediately due and payable in Dollars, taking the Dollar Equivalent of such accrued and unpaid interest and other amounts. The occurrence of any conversion as provided above in this Section 2.17(a) shall be deemed to constitute, for purposes of Section 2.12, a prepayment of the respective Canadian Revolving Loans before the last day of any Interest Period relating thereto.

(b) Upon the occurrence of a Sharing Event, each RL Lender shall (and hereby unconditionally and irrevocably agrees to) purchase and sell (in each case in Dollars) undivided participating interests in the Revolving Loans of outstanding Tranches to, and any Unpaid Drawings of such Tranches owing by, each Borrower in such amounts so that each RL Lender shall have a share of the outstanding Revolving Loans of each Tranche and Unpaid Drawings of each Tranche then owing by each Borrower equal to its RL Percentage thereof. Upon any such occurrence the Administrative Agent shall notify each RL Lender and shall specify the amount of Dollars required from such RL Lender in order to effect the purchases and sales by the various RL Lenders of participating interests in the amounts required above (together with accrued interest with respect to the period from the last interest payment date through the date of the Sharing Event plus any additional amounts payable by any respective Borrower pursuant to Section 5.04 in respect of such accrued but unpaid interest); provided that in the event that a Sharing Event shall have occurred, each RL Lender shall be deemed to have purchased, automatically and without request, such participating interests. Promptly upon receipt of such request, each RL Lender shall deliver to the Administrative Agent (in immediately available funds in Dollars) the net amounts as specified by the Administrative Agent. If any RL Lender fails to so deliver such net amounts to the Administrative Agent, distributions of amounts otherwise payable under this Agreement to such RL Lender shall be distributed instead to the Canadian Lenders (and applied to the purchase price owing to such Canadian Lenders) until such payments are made by such defaulting RL Lender or the Canadian Lenders have received the purchase price owing to them by the Defaulting Lenders. The Administrative Agent shall promptly deliver the amounts so received to the various RL Lenders in such amounts as are needed to effect the purchases and sales of participations as provided above. Promptly following receipt thereof, each RL Lender which has sold participations in any of its Revolving Loans (through the Administrative Agent) will deliver to each RL Lender (through the Administrative Agent) which has so purchased a participating interest a participation certificate dated the date of receipt of such funds and in such amount. It is understood that the amount of funds delivered by each RL Lender shall be calculated on a net basis, giving effect to both the sales and purchases of participations by the various RL Lenders as required above.

(c) Upon, and after, the occurrence of a Sharing Event (i) no further Canadian Revolving Loans shall be made to any Borrower, (ii) all amounts from time to time accruing with respect to, and all amounts from time to time payable on account of, Canadian Revolving Loans (including, without limitation, any interest and other amounts which were accrued but unpaid on the date of such purchase) shall be payable in Dollars as if each such Canadian Revolving Loan had originally been made in Dollars and shall be distributed by the relevant RL Lenders (or their affiliates) to the Administrative Agent for the account of the RL

Lenders which are participating therein and (iii) the Maximum Canadian Dollar Revolving Loan Sub-Commitments of the various Canadian Lenders shall be automatically terminated (which shall result in a like increase to the U.S. Revolving Loan Sub-Commitments of the respective Lenders, except to the extent the Revolving Loan Commitments of the various Lenders are terminated as otherwise provided in this Agreement). Notwithstanding anything to the contrary contained above, the failure of any RL Lender to purchase its participating interests in any Revolving Loans upon the occurrence of a Sharing Event shall not relieve any other RL Lender of its obligation hereunder to purchase its participating interests in a timely manner, but no RL Lender shall be responsible for the failure of any other RL Lender to purchase the participating interest to be purchased by such other RL Lender on any date.

(d) If any amount required to be paid by any RL Lender pursuant to Section 2.17(b) is paid to the Administrative Agent after the date such amount is required to be paid by such RL Lender but within three Business Days following the date upon which such RL Lender receives notice from the Administrative Agent of the amount of its participations required to be purchased pursuant to Section 2.17(b), such RL Lender shall also pay to the Administrative Agent on demand an amount equal to the product of (i) the amount so required to be paid by such RL Lender for the purchase of its participations times (ii) the daily average Federal Funds Rate, during the period from and including the date of request for payment to the date on which such payment is immediately available to the Administrative Agent times (iii) a fraction of the numerator of which is the number of days that elapsed during such period and the denominator of which is 360. If any such amount required to be paid by any RL Lender pursuant to Section 2.17(b) is not in fact made available to the Administrative Agent within three Business Days following the date upon which such RL Lender receives notice from the Administrative Agent as to the amount of participations required to be purchased by it, the Administrative Agent shall be entitled to recover from such RL Lender on demand, such amount with interest thereon calculated from such request date at the rate per annum applicable to Canadian Revolving Loans of the Tranche required to be purchased maintained as Canadian Prime Rate Loans hereunder. A certificate of the Administrative Agent submitted to any RL Lender with respect to any amounts payable under this Section 2.17 shall be conclusive in the absence of manifest error. Amounts payable by any RL Lender pursuant to this Section 2.17 shall be paid to the Administrative Agent for the account of the relevant RL Lenders; provided that, if the Administrative Agent (in its sole discretion) has elected to fund on behalf of such RL Lender the amounts owing to such RL Lenders, then the amounts shall be paid to the Administrative Agent for its own account.

(e) Whenever, at any time after the relevant RL Lenders have received from any RL Lenders purchases of participations in any Revolving Loans pursuant to this Section 2.17, the various RL Lenders receive any payment on account thereof, such RL Lenders will distribute to the Administrative Agent, for the account of the various RL Lenders participating therein, such RL Lenders' participating interests in such amounts (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such participations were outstanding but also taking into account the payment of any interest in connection with the purchase of such participating interest pursuant to Section 2.18(b)) in like funds as received; provided, however, that in the event that such payment received by any RL Lenders is required to be returned, the RL Lenders who received previous distributions in respect of their participating interests therein will return to the respective RL Lenders any portion thereof

previously so distributed to them in like funds as such payment is required to be returned by the respective RL Lenders.

(f) Each RL Lender's obligation to purchase participating interests pursuant to this Section 2.17 shall be absolute and unconditional and shall not be affected by any circumstance including, without limitation, (i) any setoff, counterclaim, recoupment, defense or other right which such RL Lender may have against any other RL Lender, the relevant Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of an Event of Default, (iii) any adverse change in the condition (financial or otherwise) of any Borrower or any other Person, (iv) any breach of this Agreement by any Borrower or any Lender or any other Person, or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(g) Notwithstanding anything to the contrary contained elsewhere in this Agreement, upon any purchase of participations as required above, each RL Lender which has purchased such participations shall be entitled to receive from the relevant Borrowers any reasonable increased costs and indemnities (including, without limitation, pursuant to Sections 2.11, 2.12, 2.16, 3.06 and 5.04) directly from the Borrowers to the same extent as if it were the direct Lender as opposed to a participant therein, which reasonable increased costs shall be calculated without regard to Section 2.13, Section 14.03(a) or the last sentence of Section 14.03(b). The Borrowers acknowledge and agree that, upon the occurrence of a Sharing Event and after giving effect to the requirements of this Section 2.17, increased Taxes may be owing by them pursuant to Section 5.04, which Taxes shall be paid (to the extent provided in Section 5.04) by the respective Borrowers, without any claim that the increased Taxes are not payable because same resulted from the participations effected as otherwise required by this Section 2.17.

2.18. Voluntary Adjustment or Termination of Total Maximum Canadian Dollar Revolving Loan Sub-Commitment and Total Canadian Dollar Revolving Loan Sub-Commitment. (a) Notwithstanding anything to the contrary contained in this Agreement, the parties hereto agree that (i) the Total Canadian Dollar Revolving Loan Sub-Commitment shall be fixed by the U.S. Borrower from time to time in accordance with Section 2.18(b); (ii) in no event shall the Total Canadian Dollar Revolving Loan Sub-Commitment exceed the sum of the Canadian Dollar Revolving Loan Sub Commitments of the various Canadian Lenders as then in effect; (iii) in no event shall the Canadian Dollar Revolving Loan Sub-Commitment of any Canadian Lender exceed the Maximum Canadian Dollar Revolving Loan Sub-Commitment of such Lender; (iv) at no time shall the U.S. Borrower be permitted to request an extension of credit pursuant to the Total Revolving Loan Commitment (whether in the form of Revolving Loans or Letter of Credit Outstandings) and no such credit shall be made available, if after giving effect thereto, the sum of the aggregate principal amount of outstanding Revolving Loans (excluding for this purpose Canadian Revolving Loans), and the amount of the Letter of Credit Outstandings at such time would exceed an amount equal to the Total U.S. Revolving Loan Sub-Commitment as then in effect; (v) at no time shall any Canadian Revolving Loan Borrower be permitted to request an extension of credit in the form of Canadian Revolving Loans if, after giving effect thereto, the aggregate principal (and Face Amount, as applicable) of outstanding Canadian Revolving Loans (for this purpose, using the Dollar Equivalent of the principal and/or Face Amount, as appropriate, of Canadian Revolving Loans) would exceed the Total Canadian Dollar Revolving Loan Sub-Commitment; and (vi) the Canadian Dollar Revolving Loan Sub-Commitment of any

Canadian Lender at any time shall be an amount equal to its pro rata share of the Total Canadian Dollar Revolving Loan Sub-Commitment at such time determined on the basis of the Canadian RL Percentages of the various Lenders. At all times from and after the date of this Agreement until an adjustment is made in accordance with this Section 2.18, the Total Canadian Dollar Revolving Loan Sub-Commitment shall be U.S. $0. The Total Canadian Dollar Revolving Loan Sub-Commitment shall not exceed the total amount set forth (or, in the case of an additional commitment as described in Section 2.16, deemed to be set forth) on Schedule I-B.

(b) The U.S. Borrower may at any time (but not more than four (4) times in any calendar year) give written notice, which notice shall be irrevocable, to the Administrative Agent requesting an adjustment effective not earlier than the fifth Business Day following such request (each such date an "Adjustment Date") to the amount of the Total Canadian Dollar Revolving Loan Sub-Commitment; provided that no reduction to the amount of the Total Canadian Dollar Revolving Loan Sub-Commitment may be made if, after giving effect to any such reduction, the Total Canadian Dollar Revolving Loan Sub-Commitment would be less than the sum of the aggregate Face Amount of all Bankers' Acceptance Loans and the principal amount of all Canadian Prime Rate Loans (for this purpose, using the Dollar Equivalent of the Face Amounts or principal amounts thereof) then outstanding (other than any such Canadian Revolving Loans which will be repaid in full on or before the respective Adjustment Date). If any adjustment is made on an Adjustment Date as described in this Section 2.18, then on the respective Adjustment Date all repayments required by this Section 2.18 and Section 5.02 shall be made on such date to the extent required as a result of such adjustments and in manner provided in Section 5.02. At any time the U.S. Borrower may, but shall not be required, to request an estimate of adjustment costs by written request to the Administrative Agent. Upon receipt of such request, the Administrative Agent shall solicit from the Lenders estimates (and the Lenders shall provide such estimates not later than 5 Business Days after such solicitation, promptly after the receipt of which the Administrative Agent shall provide a summary thereof to the U.S. Borrower) of costs payable under Sections 2.12 and 2.18(e) as a result of the proposed adjustment. Such estimates shall be based upon circumstances at the time and shall not be binding upon any Lender or the Administrative Agent. Such request for an estimate by the U.S. Borrower shall not be binding upon the U.S. Borrower and shall not constitute the notice described in the first sentence of this Section 2.18(b).

(c) In connection with any adjustment to the Total Canadian Dollar Revolving Loan Sub-Commitment requested pursuant to Section 2.18(b), (i) if any such adjustment would result in an increase in the Total Canadian Dollar Revolving Loan Sub-Commitment, commencing on the Adjustment Date additional Canadian Revolving Loans shall be permitted to be incurred in accordance with the requirements of Section 2.01 and (ii) if any such adjustment would result in a decrease in the Total Canadian Dollar Revolving Loan Sub-Commitment, all Canadian Revolving Loans required to be repaid pursuant to Section 5.02(a)(ii) shall, to the extent required by Section 5.02(a)(ii), be repaid on the Adjustment Date by the time required by Section 5.03. It is understood and agreed that the Administrative Agent shall not have any liability to any Lenders if the payments contemplated above in this Section 2.18 are not actually made on the Adjustment Date, and that any failure to make the payments required to be made on an Adjustment Date pursuant to this Section 2.18 or Section 5.02(a)(ii) shall constitute an Event of Default in accordance with the terms of Section 12.01.

(d) On any date the U.S. Borrower may, at its option, permanently reduce or terminate the Maximum Canadian Dollar Revolving Loan Sub-Commitments (specifying the aggregate amount of such reduction); provided that (i) no such reduction shall be made in an amount which would cause the Dollar Equivalent of the then outstanding aggregate principal amount or Face Amount, as the case may be, of the Canadian Revolving Loans to exceed the Maximum Canadian Dollar Revolving Loan Sub-Commitments of the Canadian Lenders or the Canadian Dollar Revolving Loan Sub-Commitments of the Canadian Lenders after giving effect to the respective reduction pursuant to this Section 2.18(d), and (ii) each reduction pursuant to this Section 2.18(d) shall apply pro rata to reduce the Maximum Canadian Dollar Revolving Loan Sub-Commitments of the Canadian Lenders (based upon the relative amounts of such sub-commitments).

(e) In connection with any Adjustment Date for any adjustment to the Total Canadian Dollar Revolving Loan Sub-Commitment pursuant to this Section 2.18, on such Adjustment Date the U.S. Borrower shall, in coordination with the Administrative Agent, repay outstanding Dollar Revolving Loans of certain of the Lenders, and incur additional Dollar Revolving Loans from certain other Lenders, in each case so that all of the Lenders participate in each outstanding Borrowing of each Tranche of Dollar Revolving Loans pro rata on the basis of their respective U.S. Revolving Loan Sub-Commitments (after giving effect to any change to the U.S. Revolving Loan Sub-Commitments as a result of such adjustment to the Total Canadian Dollar Revolving Loan Sub-Commitment pursuant to this Section 2.18) (provided, that, if requested by the U.S. Borrower and consented to by the Administrative Agent (such consent not to be unreasonably withheld), the Lenders shall in lieu thereof be required to purchase and sell (in each case in Dollars) undivided participating interests in the Dollar Revolving Loans outstanding to, and any Unpaid Drawings owing by, the U.S. Borrower) and the U.S. Borrower shall be obligated to pay to the respective Lenders the costs of the type referred to in Section 2.12 in connection with any such repayment (or purchases and sales).

SECTION 3. Letters of Credit.

3.01. Letters of Credit. (a) Subject to and upon the terms and conditions set forth herein, the U.S. Borrower may request that the Issuing Bank issue, at any time and from time to time on and after the Effective Date and prior to the tenth Business Day prior to the Maturity Date, for the account of the U.S. Borrower and for the benefit of any holder (or any trustee, agent or other similar representative for any such holders) of L/C Supportable Obligations of the U.S. Borrower or any of its Subsidiaries, an irrevocable sight standby letter of credit, in a form customarily used by the Issuing Bank or in such other form as has been reasonably approved by the Issuing Bank (each such standby letter of credit, a "Letter of Credit") in support of such L/C Supportable Obligations. The Issuing Bank shall not issue any commercial or trade letters of credit. Letters of Credit may, at the option of the Issuing Bank, provide that they are governed by the Uniform Customs and Practice for Documentary Credits or the International Standby Practices or other commercially standard conventions. A Letter of Credit may be either designated as a Letter of Credit issued as utilization of the Total Revolving A Loan Capacity and included in the Aggregate Revolving A Credit Exposure (a "Letter of Credit A") or as utilization of the Total Revolving B Loan Capacity and included in the Aggregate Revolving B Credit Exposure (a "Letter of Credit B"), as specified in the Letter of Credit Request.

(b) The Issuing Bank hereby agrees that it will (subject to the terms and conditions contained herein), at any time and from time to time on and after the Effective Date and prior to the tenth Business Day prior to the Maturity Date, following its receipt of the respective Letter of Credit Request, issue within five (5) Business Days for the account of the U.S. Borrower, subject to the terms and conditions of this Agreement, one or more Letters of Credit in support of such L/C Supportable Obligations of the U.S. Borrower or any of its or their Subsidiaries as are permitted to remain outstanding without giving rise to a Default or an Event of Default, provided that the Issuing Bank shall not issue any Letter of Credit if at the time of such issuance:

(i) any order, judgment or decree of any governmental authority or arbitrator shall purport by its terms to enjoin or restrain the Issuing Bank from issuing such Letter of Credit or any requirement of law applicable to the Issuing Bank or any request or directive (whether or not having the force of law) from any governmental authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction or reserve or capital requirement (for which the Issuing Bank is not otherwise compensated) not in effect on the date hereof, or any unreimbursed loss, cost or expense which was not applicable, in effect or known to the Issuing Bank as of the date hereof and which the Issuing Bank reasonably and in good faith deems material to it; or

(ii) the Issuing Bank shall have received notice from the Administrative Agent at the direction of the Required Lenders prior to the issuance of such Letter of Credit of the type described in the second sentence of Section 3.03(b).

3.02. Maximum Letter of Credit Outstandings; Final Maturities; etc. (a) Notwithstanding anything to the contrary contained in this Agreement, (i) no Letter of Credit shall be issued the Stated Amount of which, when added to the Letter of Credit Outstandings at such time, would exceed $10,000,000, (ii) no Letter of Credit shall be issued if, after giving effect thereto, (x) the Revolving Credit Exposure of any Lender would exceed its Revolving Loan Commitment as then in effect or (y) the Aggregate Revolving Credit Exposure of such Tranche would exceed the Total Revolving A Loan Capacity or the Total Revolving B Loan Capacity, as applicable, as then in effect, (iii) each Letter of Credit shall by its terms terminate on or before the earlier of (x) the date which occurs 12 months after the date of the issuance thereof (although any such Letter of Credit may be extendible for successive periods of up to 12 months, but not beyond the tenth Business Day prior to the Maturity Date (unless on or before the date of issuance of such Letter of Credit the U.S. Borrower cash collateralizes (it being understood such cash collateral will be held in an interest bearing account under the sole dominion and control of the Administrative Agent in which the Administrative Agent, for the benefit of the Secured Parties, has a first priority security interest) the reimbursement obligation with respect thereto with cash equal to 105% of the Stated Amount of such Letter of Credit or delivers a back-to-back letter of credit in form satisfactory to the Issuing Bank on terms acceptable to the Issuing Bank)) and (y) the tenth Business Day prior to the Maturity Date (unless on or before the Maturity Date the U.S. Borrower cash collateralizes the reimbursement obligation with respect thereto with cash equal to 105% of the Stated Amount of such Letter of Credit on terms acceptable to the Issuing Bank or delivers a back-to-back letter of credit in form satisfactory to the Issuing Bank), (iv) each

Letter of Credit shall be denominated in Dollars and (v) the Stated Amount of each Letter of Credit shall be no less than $500,000, or such lesser amount as is acceptable to the Issuing Bank.

(b) Notwithstanding the foregoing, in the event a Lender Default exists, the Issuing Bank shall not be required to issue any Letters of Credit unless the Issuing Bank has entered into arrangements satisfactory to it and the U.S. Borrower to eliminate the Issuing Bank's risk with respect to the participation in Letters of Credit of the Defaulting Lender or Lenders, which may include cash collateralizing such Defaulting Lender's or Lenders' RL Percentage of the Letter of Credit Outstandings.

3.03. Letter of Credit Requests; Notices of Issuance. (a) Whenever it desires that a Letter of Credit be issued for its account, the U.S. Borrower shall give the Administrative Agent and the Issuing Bank written notice thereof prior to 1:00 P.M. (New York time) at least five Business Days' (or such shorter period as is acceptable to the Issuing Bank) prior to the proposed date of issuance (which shall be a Business Day). Each notice shall be in the form of Exhibit C (each a "Letter of Credit Request"), shall specify the Tranche under which such Letter of Credit shall be issued, and may be delivered to the Administrative Agent and the Issuing Bank by facsimile.

(b) The making of each Letter of Credit Request shall be deemed to be a representation and warranty by the U.S. Borrower that (i) the requested Letter of Credit may be issued in accordance with, and will not violate the requirements of, Section 3.02 and (ii) all of the applicable conditions set forth in Sections 6 and 7 shall be met at the time of such issuance. Unless the Issuing Bank has received notice from the Administrative Agent at the direction of the Required Lenders before it issues a Letter of Credit that one or more of the conditions specified in Section 6 are not satisfied on the Effective Date or Section 7 are not then satisfied, or that the issuance of such Letter of Credit would violate Section 3.02, then the Issuing Bank shall issue the requested Letter of Credit for the account of the U.S. Borrower in accordance with the Issuing Bank's usual and customary practices. Promptly after the issuance of or amendment to any Letter of Credit, the Issuing Bank shall notify the Administrative Agent and the U.S. Borrower, in writing, of such issuance or amendment and such notice shall be accompanied by a copy of such Letter of Credit or amendment. Promptly after receipt of such notice, the Administrative Agent shall notify each RL Lender in writing of such issuance or amendment and, if so requested by any RL Lender, the Administrative Agent shall furnish such RL Lender with a copy of the issued Letter of Credit or such amendment.

3.04. Letter of Credit Participations. (a) Immediately upon the issuance by the Issuing Bank of any Letter of Credit, the Issuing Bank shall be deemed to have sold and transferred to each RL Lender (other than the Issuing Bank) (each such Lender with respect to any Letter of Credit, in its capacity under this Section 3.04, a "Participant"), and each Participant shall be deemed irrevocably and unconditionally to have purchased and received from the Issuing Bank, without recourse or warranty, an undivided interest and participation, in a percentage equal to such Participant's Dollar Percentage, in such Letter of Credit, each drawing or payment made thereunder and the obligations of the U.S. Borrower under this Agreement with respect thereto, and any security therefor or guaranty pertaining thereto (although Letter of Credit Fees shall be paid directly to the Administrative Agent for the ratable account of the RL Lenders based on their Dollar Percentages as provided in Section 4.01(c) and the Participants shall have no right to

receive any portion of any Facing Fees); provided that, upon the occurrence of a Sharing Event, the participations described above shall be automatically adjusted so that each RL Lender shall have a participation in all then outstanding Letters of Credit under a Tranche, and related obligations as described above, in a percentage equal to its RL Percentage (which adjustments shall occur concurrently with the adjustments described in Section 2.17). Upon any change in the Revolving Loan Commitments or Dollar Percentages of the RL Lenders pursuant to this Agreement (or in the circumstances provided in the proviso to the immediately preceding sentence, the RL Percentages of the RL Lenders pursuant to this Agreement), it is hereby agreed that, with respect to all outstanding Letters of Credit and Unpaid Drawings of a Tranche, there shall be an automatic adjustment to the participations pursuant to this Section 3.04 to reflect the new Dollar Percentages or, in the circumstances described in the proviso to the immediately preceding sentence, the RL Percentages of the various RL Lenders.

(b) In determining whether to pay under any Letter of Credit, the Issuing Bank shall have no obligation relative to the Participants or any other Lenders other than to confirm that any documents required to be delivered under such Letter of Credit appear to have been delivered and that they appear to substantially comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by the Issuing Bank under or in connection with any Letter of Credit if taken or omitted in the absence of gross negligence or willful misconduct (as finally determined by a court of competent jurisdiction), shall not create for the Issuing Bank any resulting liability to the U.S. Borrower, any other Credit Party, any Lender or any other Person.

(c) If the Issuing Bank makes any payment under any Letter of Credit and the U.S. Borrower shall not have reimbursed such amount in full to the Issuing Bank pursuant to Section 3.05(a), the Issuing Bank shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Participant of such failure, and each Participant shall promptly and unconditionally pay to the Administrative Agent for the benefit of the Issuing Bank the amount of such Participant's Dollar Percentage (or, after the occurrence of a Sharing Event, its RL Percentage) of such unreimbursed payment in Dollars and in same day funds. If the Administrative Agent so notifies, prior to 11:00 A.M. (New York time) on any Business Day, any Participant required to fund a payment under a Letter of Credit, such Participant shall make available to the Administrative Agent for the benefit of the Issuing Bank, in Dollars, such Participant's Dollar Percentage (or, after the occurrence of a Sharing Event, its RL Percentage) of the amount of such payment on such Business Day in same day funds; provided, however, that no Participant shall be obligated to pay to the Administrative Agent for the benefit of the Issuing Bank its Dollar Percentage (or, after the occurrence of a Sharing Event, its RL Percentage) of such unreimbursed amount for (i) any wrongful payment made by the Issuing Bank under a Letter of Credit issued by it as a result of acts or omissions constituting willful misconduct or gross negligence on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction) and (ii) with respect to any Letter of Credit with an expiration date after the tenth Business Day prior to the Maturity Date, any payment made by the Issuing Bank in excess of the amount of cash collateral delivered by the U.S. Borrower pursuant to Section 3.02(a)(iii)(y). If and to the extent such Participant shall not have so made its Dollar Percentage (or, after the occurrence of a Sharing Event, its RL Percentage) of the amount of such payment available to the Administrative Agent for the benefit of the Issuing Bank, such Participant agrees to pay to the Administrative Agent for the benefit of the Issuing Bank,

forthwith on demand such amount, together with interest thereon, for each day from such date until the date such amount is paid to the Administrative Agent for the benefit of the Issuing Bank at the overnight Federal Funds Rate for the first three days and at the interest rate applicable to Dollar Revolving Loans of the same Tranche under which the applicable Letter of Credit was issued maintained as Base Rate Loans hereunder for each day thereafter. The failure of any Participant to make available to the Issuing Bank its Dollar Percentage (or, after the occurrence of a Sharing Event, its RL Percentage) of any payment under any Letter of Credit shall not relieve any other Participant of its obligation hereunder to make available to the Issuing Bank its Dollar Percentage (or, after the occurrence of a Sharing Event, its RL Percentage) of any unreimbursed payment with respect to a Letter of Credit on the date required, as specified above, but no Participant shall be responsible for the failure of any other Participant to make available to the Administrative Agent for the benefit of the Issuing Bank such other Participant's Dollar Percentage (or, after the occurrence of a Sharing Event, its RL Percentage) of any such payment.

(d) Whenever the Issuing Bank receives a payment of a reimbursement obligation as to which it has received any payments from the Participants pursuant to clause (c) above, the Issuing Bank shall pay to the Administrative Agent for the benefit of each Participant which has paid its Dollar Percentage (or, after the occurrence of a Sharing Event, its RL Percentage) thereof, in Dollars and in same day funds, an amount equal to such Participant's share (based upon the proportionate aggregate amount originally funded by such Participant to the aggregate amount funded by all Participants) of the principal amount of such reimbursement obligation and interest thereon accruing after the purchase of the respective participations.

(e) Upon the request of any Participant, the Issuing Bank shall furnish to such Participant copies of any Letter of Credit issued by it and such other documentation as may reasonably be requested by such Participant.

(f) The obligations of the Participants to make payments to the Administrative Agent for the benefit of the Issuing Bank with respect to Letters of Credit issued by it shall be irrevocable and not subject to any qualification or exception whatsoever (except as otherwise provided in the proviso to the second sentence of Section 3.04(c)) and shall be made in accordance with the terms and conditions of this Agreement under all circumstances, including, without limitation, any of the following circumstances:

(i) any lack of validity or enforceability of this Agreement or any of the other Credit Documents;

(ii) the existence of any claim, setoff, defense or other right which any Credit Party or any of its Subsidiaries or Affiliates may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), any Agent, the Issuing Bank, any Participant, or any other Person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between any Credit Party or any Subsidiary or Affiliate of any Credit Party and the beneficiary named in any such Letter of Credit);

(iii) any draft, certificate or any other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Credit Documents;

(v) the occurrence of any Default or Event of Default; or

(vi) subject to the provisions of Section 3.04(c), the fact that the expiration date of any Letter of Credit is beyond the Maturity Date.

3.05. Agreement to Repay Letter of Credit Drawings. (a) Subject to Section 3.05(b), the U.S. Borrower hereby agrees to reimburse the Issuing Bank, by making payment in Dollars and in immediately available funds directly to the Administrative Agent at the Payment Office for the benefit of the Issuing Bank, for any payment or disbursement made by the Issuing Bank under any Letter of Credit issued by it (with each such amount so paid, until reimbursed, an "Unpaid Drawing"), immediately after, and in any event on the date of, such payment or disbursement, with interest on the amount so paid or disbursed by the Issuing Bank, to the extent not reimbursed prior to 2:00 P.M. (New York time) on the date of such payment or disbursement, from and including the date paid or disbursed to but excluding the date the Issuing Bank was reimbursed by the U.S. Borrower therefor at a rate per annum which shall be the Base Rate in effect from time to time plus the Applicable Margin for Dollar Revolving Loans under the same Tranche as the applicable Letter of Credit maintained as Base Rate Loans; provided, however, to the extent such amounts are not reimbursed prior to 12:00 Noon (New York time) on the third Business Day following the receipt of notice of such payment or disbursement or upon the occurrence of a Default or an Event of Default under Section 12.05, interest shall thereafter accrue on the amounts so paid or disbursed by the Issuing Bank (and until reimbursed by the U.S. Borrower) at a rate per annum which shall be the Base Rate in effect from time to time plus the Applicable Margin for Dollar Revolving Loans under the same Tranche as the applicable Letter of Credit maintained as Base Rate Loans of such Tranche plus 2%, in each such case, with interest to be payable on demand. The Issuing Bank shall give the U.S. Borrower and the Administrative Agent prompt written notice of each Drawing under any Letter of Credit, provided that except as provided in the immediately preceding sentence, the failure to give any such notice shall in no way affect, impair or diminish the U.S. Borrower's obligations hereunder.

(b) Notwithstanding the requirements of Section 3.05(a), unless otherwise requested by the U.S. Borrower prior to 2:00 P.M. on the date of such payment or disbursement made by the Issuing Bank under a Letter of Credit, any reimbursement of an Unpaid Drawing in an amount equal to or exceeding $1,000,000 shall be effected by having such Unpaid Drawing amount treated as a Base Rate Loan of the same Tranche as the applicable Letter of Credit (which Base Rate Loan may be converted in accordance with the provisions of Section 2.07).

(c) The obligations of the U.S. Borrower under this Section 3.05 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the U.S. Borrower may have or have had against any

Lender (including in its capacity as issuer of any Letter of Credit or as Participant), including, without limitation, any defense based upon the failure of any drawing under a Letter of Credit (each a "Drawing") to conform to the terms of such Letter of Credit or any nonapplication or misapplication by the beneficiary of the proceeds of such Drawing or any other matter or circumstance referred to in clauses (i) through (v) of Section 3.04(f); provided that the Issuing Bank shall be responsible for any damages (excluding consequential damages) to the U.S. Borrower for its gross negligence or willful misconduct (as finally determined by a court of competent jurisdiction) in connection with drawings made under a Letter of Credit which did not comply or conform to the terms of the respective Letter of Credit.

3.06. Increased Letter of Credit Costs. Subject to the provisions of Section 2.13(b), if at any time after the date of this Agreement, the introduction of or any change in any applicable law, rule, regulation, order, guideline or request or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by the Issuing Bank or any Participant with any request or directive by any such authority (whether or not having the force of law), shall either (i) impose, modify or make applicable any reserve, deposit, capital adequacy or similar requirement against letters of credit issued by the Issuing Bank or participated in by any Participant, or (ii) impose on the Issuing Bank or any Participant any other conditions relating, directly or indirectly, to this Agreement; and the result of any of the foregoing is to increase the cost to the Issuing Bank or any Participant of issuing, maintaining or participating in any Letter of Credit, or reduce the amount of any sum received or receivable by the Issuing Bank or any Participant hereunder or reduce the rate of return on its capital with respect to Letters of Credit (except for changes in the rate of tax on, or determined by reference to, the net income or profits or franchise taxes based on net income of the Issuing Bank or such Participant pursuant to the laws of the jurisdiction in which it is organized or in which its principal office or applicable lending office is located or any subdivision thereof or therein), then, upon written demand to the U.S. Borrower by the Issuing Bank or such Participant (a copy of which certificate shall be sent by the Issuing Bank or such Participant to the Administrative Agent), the U.S. Borrower shall pay to the Issuing Bank or such Participant such additional amount or amounts as will compensate the Issuing Bank or such Participant for such increased cost or reduction in the amount receivable or reduction on the rate of return on its capital. The Issuing Bank or any Participant, upon determining that any additional amounts will be payable pursuant to this Section 3.06, will give prompt written notice thereof to the U.S. Borrower which notice shall include a certificate submitted to the U.S. Borrower by the Issuing Bank or such Participant (a copy of which certificate shall be sent by the Issuing Bank or such Participant to the Administrative Agent), setting forth in reasonable detail the basis for the calculation of such additional amount or amounts necessary to compensate the Issuing Bank or such Participant. The certificate required to be delivered pursuant to this Section 3.06 shall, absent manifest error, be final and conclusive and binding on the U.S. Borrower.

SECTION 4. Commitment Commission; Canadian Commitment Commission; Fees; Reductions of Commitment.

4.01. Fees. (a) The U.S. Borrower agrees to pay to the Administrative Agent in Dollars for distribution to each Non-Defaulting Lender with a Revolving Loan Commitment a commitment commission (the "Commitment Commission") for the period from and including the Effective Date to, but excluding, the Maturity Date (or such earlier date as the Total Revolving

Loan Commitment shall have been terminated), computed at a rate per annum equal to the Applicable Commitment Commission Percentage (as in effect from time to time) on the average daily Unutilized Revolving Loan Commitment of such Lender. Accrued Commitment Commission shall be due and payable in arrears on each Quarterly Payment Date and on the Maturity Date or such earlier date upon which the Total Revolving Loan Commitment is terminated. In addition, the U.S. Borrower agrees to pay to the Administrative Agent in Dollars for distribution to each Canadian Lender (other than a Defaulting Lender) an additional commitment commission (the "Canadian Commitment Commission") for the period from and including the Effective Date to, but excluding, the Maturity Date (or such earlier date as the Total Maximum Canadian Dollar Revolving Loan Sub-Commitment shall have been terminated), computed at a rate per annum equal to .10% on the average daily Unutilized Canadian Dollar Revolving Loan Sub-Commitment of such Lender. Accrued Canadian Commitment Commission shall be due and payable in arrears on each Quarterly Payment Date and on the Maturity Date or such earlier date upon which the Total Maximum Canadian Dollar Revolving Loan Sub-Commitment is terminated. The fees referred to above shall be payable on a pro rata basis.

(b) The U.S. Borrower agrees to pay to the Administrative Agent for distribution to each Non-Defaulting Lender with a Revolving Loan Commitment (based on their respective Dollar Percentages or, for periods from and after the occurrence of a Sharing Event, their respective RL Percentages) in Dollars, a fee in respect of each Letter of Credit issued for the account of the U.S. Borrower hereunder (the "Letter of Credit Fee"), in each case for the period from and including the date of issuance of the respective Letter of Credit to and including the date of termination of such Letter of Credit, computed at a rate per annum equal to the Applicable Margin for Revolving Loans of the Tranche under which such Letter of Credit is issued that are maintained as Eurodollar Loans (as in effect from time to time) on the daily Stated Amount of such Letter of Credit. Accrued Letter of Credit Fees shall be due and payable on each Quarterly Payment Date after the Effective Date and on the Maturity Date or such earlier date upon which the Total Revolving Loan Commitment is terminated.

(c) The U.S. Borrower agrees to pay to the Issuing Bank, for its own account, in Dollars, a facing fee in respect of each Letter of Credit issued for the account of the U.S. Borrower by the Issuing Bank (the "Facing Fee"), for the period from and including the date of issuance of such Letter of Credit to and including the date of the termination of such Letter of Credit, computed at a rate equal to 1/8 of 1% per annum of the daily Stated Amount of such Letter of Credit; provided that in no event shall the annual Facing Fee with respect to any Letter of Credit be less than $500. Accrued Facing Fees shall be due and payable in arrears on each Quarterly Payment Date and on the Maturity Date or such earlier date upon which the Total Revolving Loan Commitment is terminated.

(d) The U.S. Borrower shall pay, upon each payment under, issuance of, or amendment to, any Letter of Credit, such amount as shall at the time of such event be the administrative charge and the reasonable expenses which the Issuing Bank is generally imposing for payment under, issuance of, or amendment to, Letters of Credit issued by it, not to exceed $500 per issuance or amendment.

(e) At the time of the incurrence of each Bankers' Acceptance Loan, Acceptance Fees shall be paid by the respective Canadian Revolving Loan Borrower as required by, and in accordance with, clause (g) of Schedule III.

(f) The Borrowers shall pay to the Agents, for their own accounts, such other fees as have been agreed to in writing by the Borrowers and the Agents.

4.02. Voluntary Termination or Reduction of Total Unutilized Revolving Loan Commitment. Upon at least three Business Days' prior notice to the Administrative Agent at the Notice Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the U.S. Borrower shall have the right, at any time or from time to time, without premium or penalty, to terminate or partially reduce the Total Unutilized Revolving Loan Commitment, provided that (x) any partial reduction pursuant to this Section 4.02 shall be in an amount of at least $1,000,000 or, if greater, in integral multiples of $1,000,000 thereof. Each reduction to the Total Unutilized Revolving Loan Commitment pursuant to this Section 4.02 shall apply (i) to reduce the Revolving Loan Commitments of the various RL Lenders pro rata based on their respective RL Percentages and (ii) to reduce the Total Revolving A Loan Capacity and/or the Total Revolving B Loan Capacity, as specified by the U.S. Borrower, by an amount which, in the aggregate, equals the reduction in the Total Revolving Loan Commitment pursuant to the immediately preceding clause (i). The amount of any reduction to the Revolving Loan Commitment of any Lender pursuant to this Section 4.02 shall reduce the U.S. Revolving Loan Sub-Commitment and the Maximum Canadian Dollar Revolving Loan Sub-Commitments of such Lender on a pro rata basis.

SECTION 5. Prepayments; Payments; Taxes.

5.01. Voluntary Prepayments. Each Borrower shall have the right to prepay the Revolving Loans made to such Borrower, without premium or penalty (other than amounts payable pursuant to Section 2.12), in whole or in part, at any time and from time to time on the following terms and conditions:

(i) such Borrower shall give the Administrative Agent at the Notice Office written notice (or telephonic notice promptly confirmed in writing) of (1) its intent to prepay such Revolving Loans, (2) whether Dollar Revolving Loans or Canadian Revolving Loans shall be prepaid) (3) the amount of such prepayment and the Types and Tranches of Revolving Loans to be prepaid and (4) in the case of Eurodollar Loans, the specific Borrowing or Borrowings to be prepaid. Such notice shall be given by such Borrower prior to 12:00 Noon (local time where the respective Payment Office is located) at least one Business Day prior to the date of such prepayment, which notice the Administrative Agent shall promptly transmit to each of the Lenders with Revolving Loans of the respective Tranche and Type;

(ii) each prepayment shall be in an aggregate principal amount at least equal to $1,000,000 or, in the case of Canadian Revolving Loans, Canadian Revolving Loans having a Dollar Equivalent of $1,000,000 for the applicable Tranche and Type of Revolving Loans, provided that if any partial prepayment of Eurodollar Loans made pursuant to any Borrowing shall reduce the outstanding Eurodollar Loans made pursuant

to such Borrowing to an amount less than the respective Minimum Borrowing Amount for such Tranche and Type of Revolving Loans, then such Borrowing may not be continued as a Borrowing of Eurodollar Loans and shall be converted to Base Rate Loans and any election of an Interest Period with respect thereto shall have no force or effect;

(iii) prepayments of Bankers' Acceptance Loans may not be made prior to the maturity date of the respective Bankers' Acceptances; and

(iv) each prepayment in respect of any Revolving Loans made pursuant to a Borrowing of a Tranche shall be applied pro rata among such Revolving Loans, provided that until the date on which the amount giving rise to a Lender Default of the applicable Lender shall have been reduced to zero (whether by the funding by such Defaulting Lender of any defaulted Revolving Loans of such Defaulting Lender or by the non-pro rata application of any voluntary or mandatory prepayments of the Revolving Loans in accordance with the terms of Section 5.01, Section 5.02 or by a combination thereof), any prepayment in respect of Revolving Loans shall not be applied to any Revolving Loan of a Defaulting Lender.

5.02. Mandatory Repayments and Commitment Reductions.

(a) (i) On any day on which (1) the Aggregate Revolving Credit Exposure exceeds the Total Revolving Loan Commitment as then in effect, (2) the Aggregate Revolving A Credit Exposure exceeds the Total Revolving A Loan Capacity then in effect or (3) the Aggregate Revolving B Credit Exposure exceeds the Total Revolving B Loan Capacity then in effect, the Borrowers shall repay the principal of outstanding Revolving Loans of such Tranche (other than Bankers' Acceptance Loans where the underlying Bankers' Acceptances have not yet matured) (allocated between Tranches and between Dollar Revolving Loans and Canadian Revolving Loans as the Borrowers may elect); provided, however, that in each case, the repayment shall be allocated to the Tranche in respect of which excess exposure exists (to the extent of such excess) in an amount (for this purpose, taking the Dollar Equivalent of payments made with respect to the Canadian Revolving Loans) equal to such excess but if any such repayment shall effect a repayment of a Eurodollar Loan prior to the expiration of the applicable Interest Period, such repayment may be delayed until the date of such expiration subject to compliance with the provisions of Section 5.02(d); provided, that in determining whether such excess exists, the Dollar Equivalent of Canadian Revolving Loans shall be determined on a quarterly basis on each Canadian Facility Valuation Date except as otherwise provided in the definition of the term "Dollar Equivalent". If, after giving effect to the prepayment of all outstanding Revolving Loans required to be prepaid pursuant to this Section 5.02(a)(i) (other than Bankers' Acceptance Loans as referenced in the immediately preceding sentence), the sum of the outstanding Bankers' Acceptance Loans (for this purpose, using the Dollar Equivalent of the Face Amounts thereof) and Letter of Credit Outstandings exceeds the Total Revolving Loan Commitment then in effect, (x) an amount equal to the lesser of such excess and the then outstanding Face Amount of all Bankers' Acceptances shall be deposited (and, so long as no Default or Event of Default has occurred and is continuing, on any subsequent date on which any such excess is determined, any such cash collateral shall be returned to the applicable Borrower to the extent it exceeds the excess, if any, determined on such subsequent date) by the respective Borrower with the Administrative Agent as cash collateral for the obligations of the respective

Canadian Revolving Loan Borrower or Borrowers to the Canadian Lenders (rounded up to the nearest integral multiple of Cdn $100,000) in respect of an equivalent Face Amount of outstanding Bankers' Acceptances accepted by the Canadian Lenders which shall be paid to and applied by the Canadian Lenders, in satisfaction of the obligations to the Canadian Lenders of the respective Canadian Revolving Loan Borrower or Borrowers in respect of such Banker's Acceptances, on the maturity date thereof, and (y) to the extent such excess exceeds the amount applied pursuant to preceding clause (x), the respective Borrowers shall pay to the Administrative Agent cash or Cash Equivalents in an amount equal to the amount of such excess (less the amount applied pursuant to preceding clause (x)) (up to a maximum amount equal to the Letter of Credit Outstandings at such time), such cash or Cash Equivalents to be held as security for all obligations of the respective Borrowers hereunder and under the other Credit Documents in a cash collateral account (and invested from time to time in Cash Equivalents selected by the Administrative Agent) to be established by the Administrative Agent.

(ii) If on any date the Dollar Equivalent of the aggregate outstanding principal amount (or Face Amount, as the case may be) of Canadian Revolving Loans exceeds the Canadian Dollar Revolving Loan Sub-Commitments of the Canadian Lenders as then in effect, the respective Canadian Revolving Loan Borrowers shall prepay on such day the principal of outstanding Canadian Revolving Loans (for this purpose, taking the Dollar Equivalent of payments in any Canadian Dollars made with respect to Canadian Revolving Loans) (other than Bankers' Acceptance Loans where the underlying Bankers' Acceptances have not matured) equal to such excess, provided, that in determining whether such excess exists, the Dollar Equivalent of Canadian Revolving Loans shall be determined on a quarterly basis on each Canadian Facility Valuation Date except as otherwise provided in the definition of the term "Dollar Equivalent". In the case of Canadian Revolving Loans, if after giving effect to the prepayment of all outstanding Canadian Revolving Loans (other than Bankers' Acceptance Loans where the underlying Bankers' Acceptances have not yet matured), the sum of the aggregate Face Amount of outstanding Bankers' Acceptance Loans (for this purpose, using the Dollar Equivalent of the Face Amounts thereof) exceeds the sum of the Canadian Dollar Revolving Loan Sub-Commitments of the various Canadian Lenders as then in effect, an amount equal to such excess shall be deposited (and, so long as no Default or Event of Default has occurred and is continuing, on any subsequent date on which any such excess is determined, any such cash collateral shall be returned to the applicable Borrower to the extent it exceeds the excess, if any, determined on such subsequent date) by the respective Canadian Revolving Loan Borrower with the Administrative Agent as cash collateral for the obligations of the respective Canadian Revolving Loan Borrower or Borrowers to the Canadian Lenders (rounded up to the nearest integral multiple of Cdn $100,000) in respect of an equivalent Face Amount of outstanding Bankers' Acceptances accepted by the Canadian Lenders which shall be paid to and applied by the Canadian Lenders, in satisfaction of the obligations to the Canadian Lenders of the respective Canadian Revolving Loan Borrower or Borrowers in respect of such Banker's Acceptances, on the maturity date thereof.

(iii) In the event that an Excess Usage Amount exists as of the last day of four consecutive fiscal quarters, (determined in the case of any Canadian Revolving Loans, by computing the Dollar Equivalent as of each such day), not later than 2

Business Days after the date on which the compliance certificate in respect of such fiscal quarter is required to be delivered pursuant to Section 10.11(d), the U.S. Borrower shall either (as specified in a notice delivered to the Administrative Agent not later than the date on which such compliance certificate is delivered) (1) convert all or a portion of such Excess Usage Amount into Revolving B Credit Exposure pursuant to Section 2.07(d) or (2) to the extent that the Borrowers do not elect (or are not permitted) to convert such Excess Usage Amount into Revolving B Credit Exposure pursuant to Section 2.07(d), repay the principal of outstanding Revolving A Loans (other than Bankers' Acceptance Loans where the underlying Bankers' Acceptances have not yet matured) (allocated between Dollar Revolving A Loans and Canadian Revolving A Loans as the U.S. Borrower may elect) in an amount (for this purpose, taking the Dollar Equivalent of payments made with respect to the Canadian Revolving Loans) equal to such Excess Usage Amount. If, after giving effect to the conversions and prepayments of all outstanding Revolving A Loans pursuant to clauses (1) and (2) above (other than Bankers' Acceptance Loans as referenced in the immediately preceding sentence), any Excess Usage Amount still exists, then (x) an amount equal to the lesser of such excess and the then outstanding Face Amount (as of the date of such payment) of all such Bankers' Acceptances for this purpose, using the Dollar Equivalent of the Face Amount thereof shall be deposited (and, so long as no Default or Event of Default has occurred and is continuing, on any subsequent date on which any such excess is determined, any such cash collateral shall be returned to the applicable Borrower to the extent it exceeds the excess, if any, determined on such subsequent date) by the respective Borrower with the Administrative Agent as cash collateral for the obligations of the respective Canadian Revolving Loan Borrower or Borrowers to the Canadian Lenders (rounded up to the nearest integral multiple of Cdn $100,000) in respect of an equivalent Face Amount of outstanding Bankers' Acceptances accepted by the Canadian Lenders which shall be paid to and applied by the Canadian Lenders, in satisfaction of the obligations to the Canadian Lenders of the respective Canadian Revolving Loan Borrower or Borrowers in respect of such Banker's Acceptances, on the maturity date thereof, and (y) to the extent such excess exceeds the amount applied pursuant to preceding clause (x), the respective Borrowers shall pay to the Administrative Agent cash or Cash Equivalents in an amount equal to the amount of such Excess Usage Amount (less the amount applied pursuant to preceding clause (x)) (up to a maximum amount equal to the Letter of Credit A Outstandings at such time), such cash or Cash Equivalents to be held as security for all obligations of the respective Borrowers hereunder and under the other Credit Documents in a cash collateral account (and invested from time to time in Cash Equivalents selected by the Administrative Agent) to be established by the Administrative Agent.

(b) In the event that the aggregate Net Cash Proceeds received by the U.S. Borrower or any of its Restricted Subsidiaries from one or more Asset Sales occurring on or after the Effective Date in any period of 12 consecutive months (such 12 consecutive month period, an "Asset Sale Period") exceed 1% of Adjusted Total Assets (determined as of the date closest to the commencement of such Asset Sale Period for which a consolidated balance sheet of the U.S. Borrower and its Subsidiaries has been filed with the SEC or provided to the Administrative Agent pursuant to Section 10.11), then during the period commencing 180 days prior to the commencement of such Asset Sale Period and running through the date that is 12 months after the date Net Cash Proceeds so received exceeded 1% of Adjusted Total Assets, an

amount equal to the Net Cash Proceeds received during such Asset Sale Period must have been or must be invested in or committed to be invested in, pursuant to a binding commitment subject only to reasonable, customary closing conditions, and providing an amount equal to the Net Cash Proceeds are, in fact, so invested, within an additional 180 days pursuant to a transaction otherwise permitted hereunder, (x) fixed assets and property (other than notes, bonds, obligations and securities) which in the good faith reasonable judgment of the Board of Directors of the general partner of the U.S. Borrower will immediately constitute or be part of a Related Business of the U.S. Borrower or such Restricted Subsidiary (if it continues to be a Subsidiary of the U.S. Borrower) immediately following such transaction, (y) Permitted Mortgage Investments, or (z) a controlling interest in the Capital Stock of an entity engaged in a Related Business; *provided* that concurrently with an Investment specified in clause (z), such entity becomes a Restricted Subsidiary of the U.S. Borrower. Pending the application of any such Net Cash Proceeds as described above, the U.S. Borrower may invest such Net Cash Proceeds in any manner that is not prohibited hereby. Any Net Cash Proceeds from Asset Sales that are not or were not applied or invested as provided in the first sentence of this paragraph (including any Net Cash Proceeds which were committed to be invested as provided in such sentence but which are not in fact invested within the time period provided) will be deemed to constitute "Excess Proceeds." Within 30 days following each date on which the aggregate amount of Excess Proceeds exceeds $25,000,000 (or, if requested by the U.S. Borrower, at any time prior to the end of such period), the U.S. Borrower shall apply an amount equal to such Excess Proceeds as set forth in Section 5.02(c). Upon the application of such Excess Proceeds in accordance with Section 5.02(c), the amount of Excess Proceeds shall be reset at zero.

(c) Each amount required to be applied pursuant to this Section 5.02(c) as a result of the requirements of Section 5.02(b) shall be applied (after any conversion by the respective Borrower of any amounts received in a currency other than Dollars in the case of the U.S. Borrower or Canadian Dollars in the case of the Canadian Revolving Loan Borrowers into Dollars or Canadian Dollars, respectively) at such time as is designated by the U.S. Borrower, but in no event later than the latest date permitted pursuant to Section 5.02(b) (the "Final Proceeds Application Date"):

(I) First, to permanently reduce the Total Revolving Loan Commitment (with a corresponding aggregate decrease in Total Revolving A Loan Capacity and/or Total Revolving B Loan Capacity as the U.S. Borrower shall designate) until the Total Revolving Loan Commitment is reduced to $400,000,000 (whether or not any Revolving Loans are outstanding) and to repay any outstanding Revolving Loans other than Bankers' Acceptance Loans. Any such repayment shall be allocated between Dollar Revolving A Loans, Dollar Revolving B Loans, Canadian Revolving A Loans and Canadian Revolving B Loans as the U.S. Borrower shall elect; and

(II) Second, to the extent of any remaining Excess Proceeds to be applied under this Section 5.02(c) after application pursuant to clause (I), to (A) permanently reduce the Total Revolving Loan Commitment by an amount, if any, equal to the difference between (x) such remaining Excess Proceeds minus (y) the amount of principal payments made by the U.S. Borrower and its Subsidiaries in respect of Qualifying Indebtedness (excluding, however, any principal repayments that constituted scheduled amortization payments or prepayments in respect of Qualifying Indebtedness that was either (1) secured by a Lien on the

property or assets sold in an Asset Sale or (2) required to be paid as a result of an Asset Sale), and (B) repay any outstanding Revolving Loans other than Bankers' Acceptance Loans in the amount that the Total Revolving Loan Commitment is reduced pursuant to Clause (A), with such Total Revolving Loan Commitment reduction and repayment, if any, to be allocated between Tranches and between Dollar Revolving Loans and Canadian Revolving Loans as the relevant Borrowers may elect.

(d) With respect to each repayment of Revolving Loans required by this Section 5.02, the respective Borrower may designate the Types and Tranche of Revolving Loans which are to be repaid and, in the case of Eurodollar Loans and Bankers' Acceptance Loans, the specific Borrowing or Borrowings of the respective Tranche pursuant to which made, provided that: (i) in the case of repayments of Dollar Revolving Loans, repayments of Eurodollar Loans of the respective Tranche pursuant to this Section 5.02 may only be made on the last day of an Interest Period applicable thereto unless all Eurodollar Loans of the respective Tranche with Interest Periods ending on such date of required repayment and all Base Rate Loans of the respective Tranche have been paid in full; (ii) if any repayment of Eurodollar Loans made pursuant to a single Borrowing shall reduce the outstanding Revolving Loans made pursuant to such Borrowing to an amount less than the respective Minimum Borrowing Amount for the respective Tranche and Type of Revolving Loan, such Borrowing shall be converted at the end of the then current Interest Period into a Borrowing of Base Rate Loans; (iii) no repayment of Bankers' Acceptance Loans may be made prior to the maturity date of the related Bankers' Acceptances; (iv) each repayment of any Revolving Loans made pursuant to a Borrowing shall be applied pro rata among such Revolving Loans and (v) any prepayment of Revolving A Loans pursuant to Section 5.02(a)(iii) may not be made through Borrowings of additional Revolving A Loans. In the absence of a designation by the respective Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its sole discretion. Notwithstanding the foregoing provisions of this Section 5.02, if at any time the mandatory prepayment of Revolving Loans pursuant to Section 5.02(a) or 5.02(c) would result, after giving effect to the procedures set forth above, in any Borrower incurring breakage costs under Section 2.12 as a result of Eurodollar Loans being prepaid other than on the last day of an Interest Period applicable thereto (the "Affected Eurodollar Loans"), then the U.S. Borrower may in its sole discretion initially deposit a portion (up to 100%) of the amounts that otherwise would have been paid in respect of the Affected Eurodollar Loans with the Administrative Agent (which deposit must be equal in amount to the amount of Affected Eurodollar Loans not immediately prepaid) to be held as security for the obligations of the U.S. Borrower hereunder pursuant to a cash collateral agreement (which shall permit investments in Cash Equivalents satisfactory to the Administrative Agent) to be entered into in form and substance reasonably satisfactory to the Administrative Agent (which agreement shall provide for the payment of interest to U.S. Borrower in respect of such deposit), with such cash collateral to be directly applied upon the first occurrence (or occurrences) thereafter of the last day of an Interest Period applicable to the relevant Revolving Loans that are Eurodollar Loans (or such earlier date or dates as shall be requested by the U.S. Borrower), to repay an aggregate principal amount of such Revolving Loans equal to the Affected Eurodollar Loans not initially repaid pursuant to this sentence. Notwithstanding anything to the contrary contained in the immediately preceding sentence, all amounts deposited as cash collateral pursuant to the immediately preceding sentence shall be held for the benefit of the Lenders whose Revolving Loans would otherwise have been immediately repaid with the amounts deposited and upon the taking of any

action by the Administrative Agent or the Lenders pursuant to the remedial provisions of Section 12, any amounts held as cash collateral pursuant to this Section 5.02(d) shall, subject to the requirements of applicable law, be immediately applied to the relevant Revolving Loans. Until actually applied to the repayment of Eurodollar Loans, interest shall continue to accrue thereon.

(e) Notwithstanding anything to the contrary contained in this Agreement, the Borrowers shall repay in full all outstanding Revolving Loans on the earlier of (i) the Maturity Date and (ii) the date on which the Total Revolving Loan Commitment is terminated.

(f) The Total Revolving Loan Commitment shall be reduced permanently on the date and by the amount of any repayment of Revolving Loans made pursuant to Section 5.02(b), with a corresponding aggregate decrease in Total Revolving A Loan Capacity and/or Total Revolving B Loan Capacity as the U.S. Borrower shall designate. The Total Revolving Loan Commitment, the Total Revolving A Loan Capacity and the Total Revolving B Loan Capacity shall not be reduced by any repayment of Revolving Loans made pursuant to Section 5.02(a)(iii).

(g) Any reduction to the Total Revolving Loan Commitment pursuant to this Section 5.02 shall reduce the Revolving Loan Commitment, the U.S. Revolving Loan Sub-Commitment and the Maximum Canadian Dollar Revolving Loan Sub-Commitment of such Lender on a pro rata basis, and Schedule I-A shall be deemed modified accordingly.

(h) Until the date on which the amount giving rise to a Lender Default of the applicable Lender shall have been reduced to zero (whether by the funding by such Defaulting Lender of any defaulted Loans of such Defaulting Lender or by the non-pro rata application of any voluntary or mandatory prepayments of the Loans in accordance with the terms of Section 5.01, Section 5.02 or by a combination thereof), any prepayment in respect of Loans shall not be applied to any Loan of a Defaulting Lender.

5.03. Method and Place of Payment. Except as otherwise specifically provided herein, all payments under this Agreement or any Revolving Note shall be made to the Administrative Agent for the account of the Lender or Lenders entitled thereto not later than 1:00 P.M. (local time in the city in which the Payment Office for the respective payments is located) on the date when due and shall be made in (x) Dollars in immediately available funds at the appropriate Payment Office of the Administrative Agent in respect of any obligation of the Borrowers under this Agreement except as otherwise provided in the immediately following clause (y) and (y) subject to the provisions of Section 2.17, Canadian Dollars in immediately available funds at the appropriate Payment Office (which must be located in Canada) of the Administrative Agent, if such payment is made in respect of (i) principal of, the Face Amount of or interest on Canadian Revolving Loans, or (ii) any increased costs, indemnities or other amounts owing with respect to Canadian Revolving Loans (or Commitments relating thereto), in the case of this clause (ii) to the extent the respective Lender which is charging same denominates the amounts owing in Canadian Dollars. The Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by the Administrative Agent prior to 12:00 Noon (local time in the city in which such payments are to be made)) like funds relating to the payment of principal, interest or Fees ratably to the Lenders entitled thereto. Any

payments under this Agreement which are made later than 12:00 Noon (local time in the city in which such payments are to be made) shall be deemed to have been made on the next succeeding Business Day. Whenever any payment to be made hereunder or under any Revolving Note shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest and fees shall be payable at the applicable rate during such extension.

5.04. Net Payments. (a) All payments made by any Borrower hereunder or under any Revolving Note or other Credit Document will be made without setoff, counterclaim or other defense. Except as provided in Sections 5.04(b) and (c), all such payments will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein with respect to such payments (but excluding, except as provided in the second succeeding sentence, any tax imposed on or measured by the net income or profits of a Lender pursuant to the laws of the jurisdiction in which it is organized or the jurisdiction in which it is resident or the jurisdiction in which the principal office or applicable lending office or other permanent establishment of such Lender is located or any subdivision thereof or therein) and all interest, penalties or similar liabilities with respect thereto (all such non-excluded taxes, levies, imposts, duties, fees, assessments or other charges being referred to collectively as "Taxes"). If any Taxes are so levied or imposed, subject to Section 5.04(b), the respective Borrower agrees to pay the full amount of such Taxes, and such additional amounts as may be necessary so that every payment of all amounts due under this Agreement or under any Revolving Note or other Credit Document, after withholding or deduction for or on account of any Taxes, will not be less than the amount provided for herein or in such Revolving Note or other Credit Document. If any amounts are payable in respect of Taxes pursuant to the preceding sentence, subject to Section 5.04(b), the respective Borrower agrees to reimburse each Lender, upon the written request of such Lender, for the net additional amount of taxes imposed on or measured by the net income or profits of such Lender pursuant to the laws of the jurisdiction in which the principal office or applicable lending office of such Lender is located or under the laws of any political subdivision or taxing authority of any such jurisdiction in which the principal office or applicable lending office of such Lender is located and for any withholding of taxes as such Lender shall determine are payable by, or withheld from, such Lender in respect of such amounts so paid to or on behalf of such Lender pursuant to the preceding sentence and in respect of any amounts paid to or on behalf of such Lender pursuant to this sentence. The respective Borrower will furnish to the Administrative Agent within 45 days after the date the payment of any Taxes is due pursuant to applicable law certified copies of tax receipts evidencing such payment by the respective Borrower. Each Borrower agrees to indemnify and hold harmless each Lender, and reimburse such Lender upon its written request, for the amount of any Taxes so levied or imposed and paid by such Lender and any liability (including penalties, interest and expenses) arising from or with respect to such Taxes whether or not they were correctly or legally asserted.

(b) Each Lender (other than any Canadian Lender with Maximum Canadian Dollar Revolving Loan Sub-Commitments only) that is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) agrees to deliver to the U.S. Borrower and the Administrative Agent on or prior to the Effective Date, or in the case of any such Lender (other than any Canadian Lender with Maximum Canadian Dollar Revolving Sub-Commitments

only) that is an assignee or transferee of an interest under this Agreement pursuant to Section 2.14 or 14.03 (unless the respective Lender was already a Lender hereunder immediately prior to such assignment or transfer), on the date of such assignment or transfer to such Lender, (i) two accurate and complete original signed copies of Internal Revenue Service Form W-8ECI or Form W-8BEN (or successor forms) certifying to such Lender's entitlement as of such date to a complete exemption from United States withholding tax with respect to payments to be made under this Agreement and under any Revolving Note, or (ii) if such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and cannot deliver either Internal Revenue Service Form W-8ECI or Form W-8BEN pursuant to clause (i) above, (x) a certificate substantially in the form of Exhibit D (any such certificate, a "Section 5.04(b)(ii) Certificate") and (y) two accurate and complete original signed copies of Internal Revenue Service Form W-8BEN (or successor form) certifying to such Lender's entitlement as of such date to a complete exemption from United States withholding tax with respect to payments of interest to be made under this Agreement and under any Revolving Note. In addition, each such Lender agrees that from time to time after the Effective Date, when a lapse in time or change in circumstances renders the previous certification obsolete or inaccurate in any material respect, it will deliver to the U.S. Borrower and the Administrative Agent two new accurate and complete original signed copies of Internal Revenue Service Form W-8ECI or Form W-8BEN, or Form W-8 and a Section 5.04(b)(ii) Certificate, as the case may be, and such other forms as may be required in order to confirm or establish the entitlement of such Lender to a continued exemption from or reduction in United States withholding tax with respect to payments under this Agreement and any Revolving Note, or it shall immediately notify the U.S. Borrower and the Administrative Agent of its inability to deliver any such form or certificate in which case such Lender shall not be required to deliver any such form or certificate pursuant to this Section 5.04(b). Notwithstanding anything to the contrary contained in Section 5.04(a), but subject to Section 14.03 and the immediately succeeding sentence, (x) each Borrower shall be entitled, to the extent it is required to do so by law, to deduct or withhold income or similar taxes imposed by the United States (or any political subdivision or taxing authority thereof or therein) from interest, fees or other amounts payable hereunder for the account of any Lender (other than any Canadian Lender with Maximum Canadian Dollar Revolving Loan Sub-Commitments only) which is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) for U.S. Federal income tax purposes to the extent that such Lender has not provided to the U.S. Borrower U.S. Internal Revenue Service forms that establish a complete exemption from such deduction or withholding and (y) the Borrowers shall not be obligated pursuant to Section 5.04(a) hereof to gross-up payments to be made to a Lender (other than any Canadian Lender with Maximum Canadian Dollar Revolving Loan Sub-Commitments only) in respect of income or similar taxes imposed by the United States if (I) such Lender has not provided to the U.S. Borrower the Internal Revenue Service Forms required to be provided by it to the U.S. Borrower pursuant to this Section 5.04(b) or (II) in the case of a payment, other than interest, to a Lender described in clause (ii) above, to the extent that such forms do not establish a complete exemption from withholding of such taxes. Notwithstanding anything to the contrary contained in the immediately preceding sentence or elsewhere in this Section 5.04 (other than clause (e) below) and except as set forth in Section 14.03, each Borrower agrees to pay additional amounts and to indemnify each Lender in the manner set forth in Section 5.04(a) (without regard to the identity of the jurisdiction requiring the deduction or withholding) in respect of any amounts deducted or withheld by it as described in the immediately preceding sentence as a result of any changes that

are effective after the Effective Date in any applicable law, treaty, governmental rule, regulation, guideline or order, or in the interpretation thereof, relating to the deducting or withholding of income or similar Taxes.

(c) Each Lender shall use reasonable efforts (consistent with legal and regulatory restrictions and subject to overall policy considerations of such Lender) to file any certificate or document or to furnish any information as reasonably requested by the U.S. Borrower pursuant to any applicable treaty, law or regulation if the making of such filing or the furnishing of such information would avoid the need for or reduce the amount of any additional amounts payable by the respective Borrower and would not, in the sole discretion of such Lender, be disadvantageous to such Lender.

(d) Nothing in this Section 5.04 shall require any Lender (or any Eligible Transferee) or the Administrative Agent to make available any of its tax returns (or any other information that it deems to be confidential or proprietary, in its sole discretion).

(e) Subject to the last sentence of this Section 5.04, if any Canadian Lender (a) is not resident in Canada for the purpose of *Income Tax Act* (Canada), or (b) is not an authorized foreign bank which at all times holds all of its interest in any Canadian Obligations in the course of its Canadian banking business for purposes of subsection 212(13.3) of the *Income Tax Act* (Canada), or (c) is not otherwise exempt from being subject to deduction or withholding of income or similar Taxes imposed by Canada (or any political subdivision or taxing authority thereof or therein) ("Canadian Taxes") on the basis established to the satisfaction of the Canadian Revolving Loan Borrowers and the Administrative Agent based on Applicable Law in effect on the Effective Date (or such later date on which it becomes a Canadian Lender) with respect to any payments to such Lender of interest, fees, commissions, or any other amount payable by any Canadian Revolving Loan Borrower under the Credit Documents: (i) the Canadian Revolving Loan Borrowers shall be entitled, to the extent that they are required to do so by Applicable Law, to deduct or withhold Canadian Taxes from interest, fees, commissions or other amounts payable under this Agreement for the account of such Canadian Lender; and (ii) the Canadian Revolving Loan Borrowers shall not be obligated pursuant to Section 5.04(a) to gross-up payments to be made to such Canadian Lender in respect of Canadian Taxes. Notwithstanding anything to the contrary contained in this Section 5.04, the Canadian Revolving Loan Borrowers agree to pay any additional amounts and to indemnify the applicable Canadian Lender in the manner set forth in Section 5.04(a) (without regard to the identity of the jurisdiction requiring the deduction or withholding) in respect of any incremental Canadian Taxes deducted or withheld by it as described in the immediately preceding sentence following (I) any changes after the Effective Date (or after the date such Lender became a Canadian Lender, as applicable) in any applicable law, or in the interpretation thereof, relating to the deducting or withholding of such Canadian Taxes to the extent, and only to the extent, that the obligation to pay such incremental Canadian Taxes arises as a consequence of such change in applicable law or (II) any Sharing Event.

SECTION 6. Conditions Precedent to Initial Credit Events. The obligation of each Lender to make Revolving Loans, and the obligation of the Issuing Bank to issue Letters of Credit, on the Effective Date, is subject to the satisfaction of the following conditions:

6.01. Execution of Agreement; Revolving Notes. On or prior to the Effective Date, there shall have been delivered to the Administrative Agent (i) for the account of each of the Lenders (subject to Section 2.06(e)) the appropriate Revolving Notes executed by the appropriate Borrower or Borrowers, in each case in the amount, maturity and as otherwise provided herein and (ii) such Drafts and powers of attorney executed by the Canadian Revolving Loan Borrowers as may be requested by the Canadian Lenders pursuant to Schedule III.

6.02. Opinions of Counsel. On the Effective Date, the Administrative Agent shall have received (i) from Elizabeth A. Abdoo, Esq., General Counsel to HMC, and counsel to the Borrower, an opinion addressed to the Administrative Agent and each of the Lenders and dated the Effective Date covering the matters set forth in Exhibit E-1 and such other matters incident to the transactions contemplated herein as the Administrative Agent may reasonably request, (ii) from Hogan & Hartson L.L.P., special counsel to the Credit Parties, an opinion addressed to the Administrative Agent and each of the Lenders and dated the Effective Date covering the matters set forth in Exhibit E-2 and such other matters incident to the transactions contemplated herein as the Administrative Agent may reasonably request, and (iii) from each of Blake, Cassels & Graydon LLP, and Cox Hanson O'Reilly Matheson, special Canadian counsel to the Credit Parties, an opinion addressed to the Administrative Agent and each of the Lenders and dated the Effective Date covering the matters set forth in Exhibits E-3 and E-4, respectively, and such other matters incident to the transactions contemplated herein as the Administrative Agent may reasonably request.

6.03. Corporate Documents; Proceedings; etc. (a) On the Effective Date, the Administrative Agent shall have received a certificate, dated the Effective Date, signed by the Secretary or an Assistant Secretary of each Credit Party (or from the Secretary or an Assistant Secretary of the general partner of each Credit Party that is a limited partnership), in the form of Exhibit F with appropriate insertions, together with copies of the declaration of trust, certificate of incorporation and by-laws or other organizational documents (including partnership agreements and certificates of partnership and limited liability company agreements and certificates of limited liability company and any shareholder agreements) of each such Credit Party and the resolutions of each Credit Party referred to in such certificate, and the foregoing shall be reasonably acceptable to the Administrative Agent.

(b) All trust, corporate, partnership, limited liability company and legal proceedings and all instruments and agreements in connection with the transactions contemplated by this Agreement and the other documents in effect on the Effective Date shall be reasonably satisfactory in form and substance to the Administrative Agent and the Required Banks, and the Administrative Agent shall have received all information and copies of all documents and papers, including records of corporate and partnership proceedings, governmental approvals, good standing certificates and bring-down telegrams, if any, which the Administrative Agent may have reasonably requested in connection therewith, such documents and papers where appropriate to be certified by proper corporate, partnership or governmental authorities.

(c) On the Effective Date, the Administrative Agent shall have received a certificate, dated the Effective Date and signed by an Authorized Officer of the U.S. Borrower, certifying that all of the applicable conditions set forth in Sections 6.07, 6.08 and 6.12 have been satisfied as of the Effective Date (except to the extent that any such conditions require a determination to be made by the Administrative Agent and/or the Required Banks).

6.04. Fees, etc. On the Effective Date, all costs, fees and expenses, and all other costs contemplated by this Agreement, due to the Agents and the Lenders (including, without limitation, legal fees and expenses) shall have been paid to the extent then due.

6.05. Pledge and Security Agreement. On the Effective Date, each Credit Party shall have duly authorized, executed and delivered a Pledge and Security Agreement in the form of Exhibit G (as modified, supplemented or amended from time to time, the "Pledge and Security Agreement") covering all of such Credit Party's present and future Pledge and Security Agreement Collateral, together with (to the extent not theretofore delivered pursuant to the Original Credit Agreement):

(a) all of the certificated Pledged Securities, if any, referred to therein and then owned by such Credit Party, together with executed and undated stock powers in blank or such other instruments of transfer as may be reasonably requested by the Administrative Agent;

(b) proper financing statements (Form UCC-1) for filing under the UCC or other appropriate filing offices of each jurisdiction as may be necessary or, in the reasonable opinion of the Collateral Agent, desirable to perfect the security interests purported to be created by the Pledge and Security Agreement;

(c) certified copies of requests for information or copies (Form UCC- 11), or equivalent reports, listing all effective financing statements that name such Credit Party as debtor and that are filed in the jurisdictions referred to in clause (b) above, together with copies of such other financing statements that name such Credit Party as debtor (none of which shall cover the Pledge and Security Agreement Collateral except to the extent evidencing Permitted Liens or in respect of which the Collateral Agent shall have received termination statements (Form UCC-3 or such other termination statements as shall be required by local law) for filing);

(d) evidence of the completion of (or the Administrative Agent shall be reasonably satisfied that arrangements are in place to complete) all other recordings and filings of, or with respect to, the Pledge and Security Agreement (and delivery of control agreements among the pledgor, pledgee and issuer) as may be necessary or, in the reasonable opinion of the Collateral Agent, desirable to perfect the security interests intended to be created by the Pledge and Security Agreement; and

(e) evidence that all other actions necessary or, in the reasonable opinion of the Collateral Agent, desirable to perfect and protect the security interests purported to be created by the Pledge and Security Agreement have been taken (or the Administrative

Agent shall be reasonably satisfied that arrangements are in place to perfect and protect such security interests).

6.06. Subsidiaries Guaranty. On the Effective Date, each Guarantor (as listed on Part I of Schedule IV) shall have duly authorized, executed and delivered a guaranty in the form of Exhibit H (as modified, amended or supplemented from time to time, the "Subsidiaries Guaranty").

6.07. Adverse Change, etc. (a) Since December 31, 2003, nothing shall have occurred (and neither the Administrative Agent nor any of the Lenders shall have become aware of any facts, conditions or other information not previously known) which the Administrative Agent or the Required Lenders shall determine has had, or believe could reasonably be expected to have, a Material Adverse Effect.

(b) On or prior to the Effective Date, all necessary governmental (domestic and foreign) and material third party approvals and consents in connection with the transactions contemplated by the Credit Documents to occur on or prior to the Effective Date and otherwise referred to herein or therein shall have been obtained and remain in effect, and all applicable waiting periods shall have expired without any action being taken by any competent authority which restrains, prevents or imposes materially adverse conditions upon the transactions contemplated by the Credit Documents. Additionally, there shall not exist any judgment, order, injunction or other restraint issued or filed or a hearing seeking injunctive relief or other restraint pending or notified prohibiting or imposing materially adverse conditions upon the transactions contemplated by the Credit Documents to occur on or prior to the Effective Date.

6.08. Litigation. On the Effective Date, no litigation by any entity (private or governmental) shall be pending or threatened (i) with respect to any Credit Document or the transactions contemplated thereby or (ii) which the Administrative Agent or the Required Lenders shall determine could reasonably be expected to have a Material Adverse Effect.

6.09. Original Credit Agreement. On the Effective Date, (i) all outstanding loans under the Original Credit Agreement shall be prepaid in full, together with interest thereon and all other amounts owing pursuant to the Original Credit Agreement (whether or not any such amounts are due on the Effective Date pursuant to the terms thereof) and (ii) all outstanding commitments under the Original Credit Agreement shall be terminated.

6.10. Solvency Certificate; Insurance Certificates. On or prior to the Effective Date, there shall have been delivered to the Administrative Agent:

(a) a solvency certificate in the form of Exhibit I, addressed to the Administrative Agent and each of the Lenders and dated the Effective Date from an Authorized Financial Officer of the U.S. Borrower providing the opinion of such Authorized Financial Officer as to the solvency of the U.S. Borrower and its Subsidiaries taken as a whole and the U.S. Borrower on a stand-alone basis; and

(b) certificates of insurance or other information regarding the compliance by the U.S. Borrower with the requirements of Section 10.04 for the business and

properties of the U.S. Borrower and its Subsidiaries, in each case in scope, form and substance reasonably satisfactory to the Administrative Agent.

6.11. Financial Statements; Projections. On or prior to the Effective Date, the Administrative Agent shall have received the financial statements and the Projections referred to in Section 8.05(d), all of which shall be in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders.

6.12. No Default; Representations and Warranties. On the Effective Date, (i) there shall exist no Default or Event of Default and (ii) all representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on the Effective Date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date).

The occurrence of the Effective Date shall constitute a representation and warranty by each of the Borrowers to the Administrative Agent and each of the Lenders that all the conditions specified in this Section 6 exist as of the Effective Date (except to the extent that any of the conditions specified in this Section 6 are required to be satisfactory to or determined by any Lender, the Required Lenders, the Collateral Agent and/or the Administrative Agent or otherwise expressly calls for a subjective determination to be made by any Lender, the Required Lenders, the Collateral Agent and/or the Administrative Agent). All of the Revolving Notes, certificates, legal opinions and other documents and papers referred to in this Section 6, unless otherwise specified, shall be delivered to the Administrative Agent at the Notice Office for the benefit of each of the Lenders and shall be in form and substance reasonably satisfactory to the Lenders.

SECTION 7. Conditions Precedent to All Credit Events. The obligation of each Lender to make Revolving Loans (including Revolving Loans made on the Effective Date), and the obligation of any Issuing Bank to issue any Letter of Credit, is subject, at the time of each such Credit Event (except as hereinafter indicated), to the satisfaction of the following conditions:

7.01. No Default; Representations and Warranties; Compliance with Applicable Financial Covenants.

(a) At the time of such Credit Event and also after giving effect thereto (i) there shall exist no Default or Event of Default (other than a Default of a Revolving Facility A Financial Covenant that is cured by eliminating any and all Revolving A Credit Exposure within the cure period specified in Section 12.03(i)(B), it being understood that only Revolving B Loans may, if otherwise permitted, be borrowed under this exception during such cure period), (ii) there shall exist no Senior Note Indenture Default and (iii) all representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on the date of such Credit Event (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date).

(b) Without limiting the requirements of Section 7.01(a), at the time of such Credit Event after giving effect thereto, there shall exist no Default or Event of Default with respect to (A) a Revolving Facility A Financial Covenant (if a Revolving A Loan Borrowing is requested) as of and for the most recently ended Test Period (calculated on a Pro Forma Basis as if the date of the Credit Event were the Determination Date, and after giving effect to the application of proceeds of such Credit Event (but only to the extent that such proceeds are applied on the date of such Credit Event)) and assuming that the Revolving Facility A Financial Covenants were then in effect or (B) a Revolving Facility B Financial Covenant (if a Revolving B Loan Borrowing is requested) as of and for the most recently ended Test Period (calculated on a Pro Forma Basis as if the date of the Credit Event were the Determination Date, and after giving effect to the application of proceeds of such Credit Event (but only to the extent that such proceeds are applied on the date of such Credit Event)) and assuming that the Revolving Facility B Financial Covenants were then in effect.

(c) For clarity, for the purposes of Sections 7.01(a)(i) and 7.01(b), compliance with the Revolving Facility B Financial Covenants is, but compliance with the Revolving Facility A Financial Covenants is not, a condition precedent to Borrowings under the Revolving B Loans unless Revolving A Loans, after giving effect to such borrowing, are outstanding.

7.02. Notice of Borrowing; Letter of Credit Request. (a) Prior to the making of each Revolving Loan, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.03(a).

(b) Prior to the issuance of each Letter of Credit, the Administrative Agent and the Issuing Bank shall have received a Letter of Credit Request meeting the requirements of Section 3.03.

The acceptance of the proceeds of each Revolving Loan or the making of each Letter of Credit Request (occurring on the Effective Date and thereafter) shall constitute a representation and warranty by each Credit Party to the Administrative Agent and each of the Lenders that all the conditions specified in Section 6 (with respect to Credit Events on the Effective Date) and in this Section 7 (with respect to Credit Events on and after the Effective Date) and applicable to such Credit Event exist as of that time. All of the Revolving Notes, certificates, legal opinions and other documents and papers referred to in this Section 7, unless otherwise specified, shall be delivered to the Administrative Agent at the Notice Office for the account of each of the Lenders and, except for the Revolving Notes, in sufficient counterparts or copies for each of the Lenders and shall be in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders.

SECTION 8. Representations, Warranties and Agreements. Each Borrower makes the following representations, warranties and agreements:

8.01. Status. Each of the U.S. Borrower and each of its Subsidiaries (i) is a duly organized and validly existing corporation, partnership or limited liability company, as the case may be, in good standing (if applicable) under the laws of the jurisdiction of its organization, (ii) has the corporate, partnership or limited liability company power and authority, as the case

may be, to own or lease its property and assets and to transact the business in which it is engaged and presently proposes to engage and (iii) is duly qualified and is authorized to do business and is in good standing in each jurisdiction where the conduct of its business requires such qualification except (in the case of clauses (i), (ii) and (iii)) for failures which, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

8.02. Power and Authority. Each Credit Party has the corporate, partnership or limited liability company power and authority, as the case may be, to execute, deliver and perform the terms and provisions of each of the Credit Documents to which it is a party and has taken all necessary corporate, partnership or limited liability company action, as the case may be, to authorize the execution, delivery and performance by it of each of such Credit Documents. Each Credit Party has duly executed and delivered each of the Credit Documents to which it is a party, and each of such Credit Documents constitutes the legal, valid and binding obligation of such Credit Party enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, fraudulent conveyance (but only with respect to any guaranties or security interests given by a Guarantor), reorganization or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

8.03. No Violation. Neither the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party, nor compliance by it with the terms and provisions thereof, (i) will contravene any provision of any applicable law, statute, rule or regulation or any applicable order, writ, injunction or decree of any court or governmental instrumentality, (ii) will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Pledge and Security Agreement) upon any of the properties or assets of the U.S. Borrower or any of its Subsidiaries pursuant to the terms of any indenture, mortgage, deed of trust, credit agreement or loan agreement, or any other material agreement, contract or instrument, to which the U.S. Borrower or any of its Subsidiaries is a party or by which it or any of its property or assets is bound or to which it may be subject, except for violations and defaults that may arise under contracts of the U.S. Borrower or a Subsidiary thereof otherwise permitted under this Agreement as a result of the sale of, or foreclosure of a lien upon, the Securities (as defined in the Pledge and Security Agreement) of Subsidiaries pledged under the Pledge and Security Agreement to the extent that the prior consent of other parties to such contracts has not been obtained or other actions specified in such contracts have not been taken in connection with any such sale or foreclosure or (iii) will violate any provision of the certificate of incorporation, partnership agreement, certificate of partnership, limited liability company agreement or by-laws, as the case may be, of the U.S. Borrower or any of its Subsidiaries. The Obligations constitute indebtedness issued to replace the Credit Facility, as such term is defined in the Governing Senior Note Indenture.

8.04. Governmental Approvals. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except as have been obtained or made and which remain in full force and effect), or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to authorize, or is required in connection with, (i) the execution, delivery and performance of any Credit Document or (ii) the legality, validity, binding effect or enforceability of any Credit Document.

8.05. Financial Statements; Financial Condition; Undisclosed Liabilities; Projections; etc. (a) The consolidated balance sheets of the U.S. Borrower and its Subsidiaries for the fiscal year ended December 31, 2003 and the fiscal quarter ended June 18, 2004, and the related consolidated statements of income, cash flows and shareholders' equity of such Persons for the fiscal year and fiscal quarter ended on such dates, as the case may be, copies of which have been furnished to the Lenders on or prior to the Effective Date, present fairly in all material respects the consolidated financial position of the U.S. Borrower and its Subsidiaries at the date of such balance sheets and the consolidated results of the operations of such Persons for the periods covered thereby. All of the foregoing financial statements have been prepared in accordance with GAAP consistently applied. Except as, and to the extent, disclosed in the U.S. Borrower's Form 10-K for the fiscal year ended December 31, 2003, since December 31, 2003, nothing has occurred that has had, or could reasonably be expected to have, a material adverse change in any of (i) the legality, validity or enforceability of the Credit Documents taken as a whole, (ii) the ability of the U.S. Borrower to repay the Obligations, or (iii) the rights and remedies of the Lenders or the Agents under the Credit Documents.

(b) On and as of the Effective Date and on the date on which each Revolving Loan is made or each Letter of Credit is issued, on a Pro Forma Basis after giving effect to all Indebtedness (including the Revolving Loans and the Letters of Credit) being incurred or assumed and Liens created by each Credit Party in connection therewith, (x) the sum of the assets, at a fair valuation, of the U.S. Borrower and its Subsidiaries (taken as a whole) and the U.S. Borrower (on a stand-alone basis) will exceed their respective debts, (y) the U.S. Borrower and its Subsidiaries (taken as a whole) and the U.S. Borrower (on a stand-alone basis) have not incurred and do not intend to incur, and do not believe that they will incur, debts beyond their ability to pay such debts as such debts mature and (z) the U.S. Borrower and its Subsidiaries (taken as a whole) and the U.S. Borrower (on a stand-alone basis) have sufficient capital with which to conduct its business. For purposes of this Section 8.05(b) "debt" means any liability on a claim, and "claim" means (i) the right to payment whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, secured or unsecured, in each case, to the extent of the reasonably anticipated liability thereof, as determined by the U.S. Borrower in good faith or (ii) the absolute right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

(c) Except as fully disclosed in the financial statements (and footnotes applicable thereto) referred to in Section 8.05(a) or in the Schedules to this Agreement, there were as of the Effective Date no liabilities or obligations with respect to the U.S. Borrower or any of its Subsidiaries (whether absolute, accrued, contingent or otherwise and whether or not due) of a nature required to be set forth in a balance sheet or footnote thereto prepared in accordance with GAAP which, either individually or in the aggregate, would be material to the U.S. Borrower or the U.S. Borrower and its Subsidiaries taken as a whole. As of the Effective Date, the U.S. Borrower does not know of any liability or obligation of itself or any of its Subsidiaries of any such nature that is not fully disclosed in the financial statements referred to in Section 8.05(a) or in the footnotes thereto which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(d) On and as of the Effective Date, the projections previously delivered to the Administrative Agent and the Lenders (the "Projections"), contain no statements or conclusions which are based upon or include information known to any Borrower to be misleading in any material respect or which fail to take into account known material information regarding the matters reported therein. On the Effective Date, the U.S. Borrower believes that the Projections are reasonable and attainable.

8.06. Litigation. There are no actions, suits or proceedings pending or, to the best knowledge of any Borrower, threatened (i) which purports to affect the legality, validity or enforceability of any Credit Document or (ii) that could reasonably be expected to have a Material Adverse Effect.

8.07. True and Complete Disclosure. All factual information (taken as a whole) furnished by or on behalf of U.S. Borrower or any of its Subsidiaries in writing to the Administrative Agent or any Lender (including, without limitation, all information contained in the Credit Documents) for purposes of or in connection with or pursuant to this Agreement, the other Credit Documents or any of the other transactions contemplated herein or therein is, and all other such factual information (taken as a whole) hereafter furnished by or on behalf of U.S. Borrower or any of its Subsidiaries in writing to the Administrative Agent or any Lender will be, true and accurate in all material respects on the date as of which such information is dated or certified and, to the best of each Borrower's knowledge, not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information is or was provided.

8.08. Use of Proceeds; Margin Regulations. (a) The proceeds of all Revolving Loans shall be used by the U.S. Borrower and its Subsidiaries, subject to the other restrictions set forth in this Agreement, for their working capital and general corporate, partnership or limited liability company purposes, including without limitation for the consummation of acquisitions. The proceeds of Revolving Loans under either Tranche may be used to repay Revolving Loans under the other Tranche. Each Letter of Credit shall be used in support of any purpose not prohibited by this Agreement or the other Credit Documents.

(b) No part of the proceeds of any Revolving Loan, and no Letter of Credit, will be used to purchase or carry any Margin Stock or to extend credit for the purpose of purchasing or carrying any Margin Stock. Neither the making of any Revolving Loan nor the use of the proceeds thereof nor the issuance of any Letter of Credit will violate or be inconsistent with the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

8.09. Tax Returns and Payments. Each of the U.S. Borrower and each of its Subsidiaries has timely filed or caused to be timely filed, on the due dates thereof or within applicable grace periods, with the appropriate taxing authority, all Federal, material state and other material returns, statements, forms and reports for taxes (the "Returns") required to be filed by or with respect to the income, properties or operations of the U.S. Borrower and/or its Subsidiaries. The Returns accurately reflect in all material respects all material liability for taxes of the U.S. Borrower and its Subsidiaries for the periods covered thereby except for amounts for which adequate reserves have been established in accordance with GAAP. Each of the U.S.

Borrower and each of its Subsidiaries has paid all material taxes payable by them other than taxes which are not delinquent, and other than those that have been or would be contested in good faith if asserted by the appropriate taxing authority and for which adequate reserves have been established in accordance with GAAP. There is no action, suit, proceeding, investigation, audit, or claim now pending or, to the best knowledge of each Borrower, threatened by any authority regarding any taxes relating to the U.S. Borrower or any of its Subsidiaries which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. As of the Effective Date, the U.S. Borrower and each of its Subsidiaries have properly accrued adequate reserves in accordance with GAAP for any amount of taxes in dispute for a Return which is the subject of any waiver extending the statute of limitations relating to the payment or collection of taxes of the U.S. Borrower or any of its Subsidiaries.

8.10. Compliance with ERISA. (a) Each Plan that is a single employer plan as defined in Section 4001(a)(15) of ERISA (a "Single Employer Plan") is in substantial compliance with ERISA and the Code; no Reportable Event has occurred with respect to a Single Employer Plan; no Single Employer Plan is insolvent or in reorganization; to the best knowledge of the Borrowers, no Multiemployer Plan is insolvent or in reorganization; no Single Employer Plan has an Unfunded Current Liability; no Single Employer Plan which is subject to Section 412 of the Code or Section 302 of ERISA has an accumulated funding deficiency, within the meaning of such Sections of the Code or ERISA, or has applied for or received an extension of any amortization period within the meaning of Section 412 of the Code or Section 303 or 304 of ERISA; all contributions required to be made by the U.S. Borrower or any of its Subsidiaries or any ERISA Affiliate with respect to a Plan and a Foreign Pension Plan have been timely made; neither the U.S. Borrower nor any of its Subsidiaries nor any ERISA Affiliate has incurred any material liability to or on account of a Plan pursuant to Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201, 4204 or 4212 of ERISA or Section 401(a)(29), 4971, 4975 or 4980 of the Code or reasonably expects to incur any material liability (including any indirect, contingent, or secondary liability) under any of the foregoing Sections with respect to any Plan; no proceedings have been instituted to terminate or appoint a trustee to administer any Single Employer Plan; to the best knowledge of each Borrower, no proceedings have been instituted to terminate or appoint a trustee to administer any Multiemployer Plan; no condition exists which presents a substantial risk to the U.S. Borrower or any of its Subsidiaries or any ERISA Affiliate of incurring a material liability to or on account of a Single Employer Plan pursuant to the foregoing provisions of ERISA and the Code; to the best knowledge of each Borrower, no condition exists which presents a substantial risk to the U.S. Borrower or any of its Subsidiaries or any ERISA Affiliate of incurring any material liability to or on account of a Multiemployer Plan pursuant to the foregoing provisions of ERISA and the Code; the U.S. Borrower believes that the aggregate liabilities of the U.S. Borrower and its Subsidiaries and its ERISA Affiliates to all Multiemployer Plans in the event of a withdrawal therefrom, as of the close of the most recent fiscal year of each such Plan ended prior to the date of the incurrence of any Revolving Loan or the issuance of any Letter of Credit, could not reasonably be expected to have a Material Adverse Effect; each group health plan (as defined in Section 607(1) of ERISA or Section 4980B(g)(2) of the Code) which covers or has covered employees or former employees of HMC or any of its Subsidiaries or any ERISA Affiliate has at all times been operated in substantial compliance with the provisions of Part 6 of subtitle B of Title I of ERISA and Section 4980B of the Code; no lien imposed under the Code or ERISA on the assets of the U.S. Borrower or any of its Subsidiaries or any ERISA Affiliate exists or, to the best knowledge of the U.S. Borrower, is likely to arise on

account of any Plan; and HMC and its Subsidiaries do not maintain or contribute to (A) any employee welfare benefit plan (as defined in Section 3(1) of ERISA) which provides benefits to retired employees or other former employees (other than as required by Section 601 of ERISA) or (B) any Plan, the obligations with respect to which could reasonably be expected to have a Material Adverse Effect.

(b) Each Foreign Pension Plan has been maintained in substantial compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities. Neither the U.S. Borrower nor or any of its Subsidiaries has incurred any obligation in connection with the termination of or withdrawal from any Foreign Pension Plan. The present value of the accrued benefit liabilities (whether or not vested) under each Foreign Pension Plan, determined as of the end of the U.S. Borrower's most recently ended fiscal year on the basis of actuarial assumptions, each of which is reasonable, does not exceed the current value of the assets of each Foreign Pension Plan allocable to such benefit liabilities, in the aggregate, by a material amount.

8.11. The Pledge and Security Agreement; Equity Pledges. (a) The Pledge and Security Agreement creates (after all steps required under Articles 8 and 9 of the New York UCC have been taken) in favor of the Collateral Agent for the benefit of the Secured Creditors a legal, valid and enforceable security interest in all right, title and interest of each Credit Party in the Pledge and Security Agreement Collateral described therein and owned by such Credit Party on any date on which this representation and warranty is made or deemed made to the extent that a security interest therein can be created pursuant to the UCC, which security interest shall, (i) upon delivery to the Collateral Agent of any certificates evidencing any Pledged Securities, (ii) upon the filing of appropriate financing statements under the UCC in respect of any uncertificated Pledged Securities that constitute a "general intangible" under the New York UCC or (iii) upon the completion of such other actions as may be required under the applicable provisions of the UCC (which delivery, filings and/or other actions have been done and remain in full force and effect as to the Pledge and Security Agreement Collateral owned by any Credit Party on any date on which this representation and warranty is made or deemed made), constitute a fully perfected first lien on, and security interest in, all right, title and interest of such Credit Party in all of the Pledge and Security Agreement Collateral described therein, subject to no security interests of any other Person.

(b) Part III of Schedule IV sets forth, as of the Effective Date, whether the capital stock or other equity interests in each Subsidiary listed on Part I and Part II of Schedule IV is pledged (as of the Effective Date) pursuant to the Pledge and Security Agreement, and to the extent any such interest is not so pledged, Part III of Schedule IV indicates the reason therefor.

8.12. Properties. Each of the U.S. Borrower and its Subsidiaries has good and marketable title to all material properties owned by them, including all material property reflected in the balance sheets referred to in Section 8.05(a) (except as sold or otherwise disposed of since the date of such balance sheets).

8.13. Subsidiaries. (a) The U.S. Borrower has no Subsidiaries other than (i) those Subsidiaries listed on Schedule IV and (ii) new Subsidiaries created or acquired in compliance with Section 11.06. Schedule IV correctly sets forth, as of the Effective Date, the percentage ownership (direct or indirect) of HMC and the U.S. Borrower in each class of capital stock or other equity of each of the U.S. Borrower's Subsidiaries existing on the Effective Date and also identifies the direct owner thereof. As of the Effective Date, all of the Subsidiaries of the U.S. Borrower are Restricted Subsidiaries under the Governing Senior Note Indenture.

(b) Part I of Schedule IV sets forth, as of the Effective Date, each Guarantor as of such date. Part II of Schedule IV sets forth, as of the Effective Date, each Subsidiary of the U.S. Borrower which is not a Guarantor on the Effective Date, which Part II of Schedule IV also shall specify the reason the respective Subsidiary is not required to be a Guarantor.

8.14. Compliance with Statutes, etc. Each of the U.S. Borrower and its Subsidiaries is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property (including, without limitation, applicable statutes, regulations, orders and restrictions relating to zoning compliance and environmental standards and controls), except such noncompliances as could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.15. Investment Company Act. Neither the U.S. Borrower nor any of its Subsidiaries is an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

8.16. Public Utility Holding Company Act. Neither the U.S. Borrower nor any of its Subsidiaries is a "holding company," or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

8.17. Environmental Matters. (a) To the best knowledge of each Borrower, each of the U.S. Borrower and its Subsidiaries has complied with all applicable Environmental Laws and the requirements of any permits issued under such Environmental Laws. To the best knowledge of each Borrower, there are no pending or threatened Environmental Claims against the U.S. Borrower or any of its Subsidiaries or any Real Property owned, leased or operated by the U.S. Borrower or any of its Subsidiaries. To the best knowledge of each of the U.S. Borrower and its Subsidiaries, there are no facts, circumstances, conditions or occurrences on any Real Property owned, leased or operated by the U.S. Borrower or any of its Subsidiaries or on any property adjoining any such Real Property that could reasonably be expected (i) to form the basis of an Environmental Claim against the U.S. Borrower or any of its Subsidiaries or any such Real Property or (ii) to cause any such Real Property to be subject to any restrictions on the ownership, occupancy, use or transferability of such Real Property by the U.S. Borrower or any of its Subsidiaries under any applicable Environmental Law.

(b) To the best knowledge of the U.S. Borrower, Hazardous Materials have not at any time been generated, used, treated or stored on, or transported to or from, or

Released on or from, any Real Property owned, leased or operated by the U.S. Borrower or any of its Subsidiaries except in compliance with all applicable Environmental Laws and reasonably required in connection with the operation, use and maintenance of any such Real Property by the U.S. Borrower or such Subsidiary's business.

(c) Notwithstanding anything to the contrary in this Section 8.17, the representations made in this Section 8.17 shall only be untrue if the aggregate effect of all failures and noncompliance of the types described above could reasonably be expected to have a Material Adverse Effect.

8.18. Labor Relations. Neither the U.S. Borrower nor any of its Subsidiaries has received written notice that it or any Facility Manager is engaged in any unfair labor practice with respect to any Hotel Property or other Real Property owned or leased by the U.S. Borrower or any of its Subsidiaries that could reasonably be expected to have a Material Adverse Effect. To the best knowledge of each Borrower, there is (i) no unfair labor practice complaint pending or reasonably expected to arise against the U.S. Borrower or any of its Subsidiaries before the National Labor Relations Board and no significant grievance or significant arbitration proceeding arising out of or under any collective bargaining agreement is so pending or reasonably expected to arise against the U.S. Borrower or any of its Subsidiaries, (ii) no strike, labor dispute, slowdown or stoppage that is pending or reasonably expected to arise against the U.S. Borrower or any of its Subsidiaries, and (iii) no union representation question that exists with respect to the employees of the U.S. Borrower or any of its Subsidiaries, in each case with respect to the Hotel Properties and/or other Real Properties owned or leased by the U.S. Borrower or any of its Subsidiaries, except (with respect to any matter specified in clause (i), (ii) or (iii) above, either individually or in the aggregate) such as could not reasonably be expected to have a Material Adverse Effect.

8.19. Intellectual Property. Each of the U.S. Borrower and its Subsidiaries owns or has the right to use all trademarks, permits, service marks, trade names, licenses and franchises necessary for the conduct of its respective businesses, except such as could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.20. Indebtedness. Schedule 8.20 sets forth a true and complete list of all Indebtedness of the U.S. Borrower and its Subsidiaries as of the Effective Date and which is to remain outstanding after giving effect thereto (excluding the Revolving Loans, the "Existing Indebtedness"), in each case showing the aggregate principal amount thereof and the name of the respective borrower and any other entity which directly or indirectly guaranteed such debt (it being understood that Schedule 8.20 does not have to set forth immaterial items of Indebtedness that do not otherwise constitute Indebtedness under clause (i) of the definition of Consolidated Total Debt, although such items of immaterial Indebtedness will still constitute Existing Indebtedness). A true and correct copy of the Senior Note Indenture and the Twelfth Supplemental Indenture is attached hereto as Exhibit M.

8.21. Status as REIT. HMC is qualified as a real estate investment trust under the Code and its proposed methods of operation will enable it to continue to be so qualified.

SECTION 9. Financial Covenants. As long as any of the Obligations or the Total Revolving Loan Commitment remains outstanding (except as otherwise set forth below), the U.S. Borrower agrees with the Lenders and the Administrative Agent that:

9.01. Maximum Leverage Ratio. (a) As long as there exists any Revolving A Credit Exposure, the U.S. Borrower will not permit the Leverage Ratio at any time during a period set forth below to be greater than the ratio set forth opposite such period below:

Period	Ratio
Effective Date through and including the day immediately before the last day of the U.S. Borrower's fiscal quarter ending closest to March 31, 2006	7.00:1.00
The last day of the U.S. Borrower's fiscal quarter ending closest to March 31, 2006 through and including the day immediately before the last day of the U.S. Borrower's fiscal quarter ending closest to March 31, 2007	6.75:1.00
The last day of the U.S. Borrower's fiscal quarter ending closest to March 31, 2007 through and including the day immediately before the last day of the U.S. Borrower's fiscal quarter ending closest to March 31, 2008	6.50:1.00
The last day of the U.S. Borrower's fiscal quarter ending closest to March 31, 2008 through and including the day immediately before the last day of the U.S. Borrower's fiscal quarter ending closest to March 31, 2009	6.00:1.00
Thereafter	5.75:1.00

(b) As long as there exists any Revolving B Credit Exposure, the U.S. Borrower will not permit the Leverage Ratio to exceed (i) 7.50:1.00 at all times prior to the last day of the U.S. Borrower's fiscal quarter ending closest to September 30, 2007, (ii) 7.25:1.00 at all times from the last day of the U.S. Borrower's fiscal quarter ending closest to September 30, 2007 through and including the day immediately before the last day of the U.S. Borrower's fiscal quarter ending closest to September 30, 2008 and (iii) 7.00:1.00 thereafter.

9.02. Minimum Unsecured Interest Coverage Ratio. (a) As long as there is any Revolving A Credit Exposure, the U.S. Borrower will not permit the Unsecured Interest Coverage Ratio for any Test Period ending on the last day of a fiscal quarter of the U.S. Borrower set forth below to be less than the ratio set forth opposite such fiscal quarter below:

Fiscal Quarter(s) Ending Closest To	Ratio
All Fiscal Quarters through December 31, 2006	1.50:1.00
March 31, 2007 June 30, 2007 September 30, 2007 December 31, 2007	1.55:1.00
March 31, 2008 June 30, 2008 September 30, 2008 December 31, 2008	1.65:1.00
Each Fiscal Quarter thereafter	1.75:1.00

(b) As long as there is any Revolving B Credit Exposure, the U.S. Borrower will not permit the Unsecured Interest Coverage Ratio for any Test Period ending on the last day of a fiscal quarter of the U.S. Borrower to be less than 1.50:1.00.

9.03. Minimum Consolidated Fixed Charge Coverage Ratio. So long as there is any Revolving A Credit Exposure, the U.S. Borrower will not permit the Consolidated Fixed Charge Coverage Ratio for any Test Period ending on the last day of a fiscal quarter of the U.S. Borrower set forth below to be less than the ratio set forth opposite such fiscal quarter below:

Fiscal Quarter Ending Closest To	Ratio
Each Fiscal Quarter through December 31, 2006	1.00:1.00
March 31, 2007 June 30, 2007 September 30, 2007 December 31, 2007	1.05:1.00
March 31, 2008 June 30, 2008 September 30, 2008 December 31, 2008	1.10:1.00
Each Fiscal Quarter thereafter	1.15:1.00

9.04. Additional Financial Covenants and Limitations on Incurrence of Indebtedness.

(a) Incurrence of Indebtedness. The U.S. Borrower and its Subsidiaries will not Incur any additional Indebtedness in violation of Section 4.7(a) or (b) (after

giving effect to any exceptions contained in Section 4.7(d)) of the Governing Senior Note Indenture.

(b) Unencumbered Assets. The U.S. Borrower will maintain at all times Total Unencumbered Assets of not less than 125% of the aggregate outstanding amount of the Unsecured Indebtedness (other than the QUIPs Debt unless the principal thereof has become due and payable and has not been paid) (including amounts of Refinancing Indebtedness outstanding pursuant to Section 4.7(d)(iii) of the Governing Senior Note Indenture) determined on a consolidated basis (it being understood that the Unsecured Indebtedness of the Restricted Subsidiaries shall be consolidated with that of the U.S. Borrower only to the extent of the U.S. Borrower's proportionate interest in such Restricted Subsidiaries).

(c) Certain Definitions. For the purpose of this Section 9.04 only, all capitalized terms used in this Section 9.04 that are defined in the Governing Senior Note Indenture shall have the meanings given to them in the Governing Senior Note Indenture, including, without limitation, by making all covenant calculations under this Section 9.04 by taking into account the designation of any Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary under the Governing Senior Note Indenture.

SECTION 10. Affirmative Covenants. Each Borrower hereby covenants and agrees (as to itself and each of its Subsidiaries) that from and after the Effective Date and until the Total Revolving Loan Commitment has terminated and the Revolving Loans and Revolving Notes, together with interest, Fees and all other Obligations incurred hereunder and thereunder, are paid in full:

10.01. Compliance with Laws, Etc. The U.S. Borrower shall comply, and shall cause each of its Subsidiaries to comply, in all material respects with all Requirements of Law, Contractual Obligations, commitments, instruments, licenses, permits and franchises, including, without limitation, all Permits; provided, however, that no Borrower shall be deemed in default of this Section 10.01 if all such non-compliances in the aggregate could not reasonably be expected to have a Material Adverse Effect.

10.02. Conduct of Business. The U.S. Borrower shall (a) conduct, and cause each of its Subsidiaries to conduct, its business in the ordinary course and consistent with past practice; (b) use, and cause each of its Subsidiaries to use, its reasonable efforts, in the ordinary course and consistent with past practice, to (i) preserve its business and the goodwill and business of the customers, advertisers, suppliers and others having business relations with the U.S. Borrower or any of its Subsidiaries, and (ii) keep available the services and goodwill of its present employees; (c) preserve, and cause each of its Subsidiaries to preserve, all registered patents, trademarks, trade names, copyrights and service marks that are used in its business and owned by the U.S. Borrower or its Subsidiaries; and (d) perform and observe, and cause each of its Subsidiaries to perform and observe, all the terms, covenants and conditions required to be performed and observed by it under its Contractual Obligations (including, without limitation, to pay all rent and other charges payable under any lease and all debts and other obligations as the same become due), and do, and cause its Subsidiaries to do, all things necessary to preserve and to keep unimpaired its rights under such Contractual Obligations; provided, however, that, in the

case of each of clauses (a) through (d), no Borrower shall be deemed in default of this Section 10.02 if all such failures in the aggregate have no Material Adverse Effect.

10.03. Payment of Taxes, Etc. The U.S. Borrower shall pay and discharge, and shall cause each of its Subsidiaries, as appropriate, to pay and discharge, before the same shall become delinquent, all lawful governmental claims, material taxes, material assessments, material charges and material levies, except where contested in good faith, by proper proceedings, if adequate reserves therefor have been established on the books of the U.S. Borrower or the appropriate Subsidiary in conformity with GAAP.

10.04. Maintenance of Insurance. (a) When the Leverage Ratio is equal to or in excess of 6.00:1.00, the U.S. Borrower and each of its Subsidiaries shall maintain, or shall cause to be maintained, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks (including, without limitation, fire, extended coverage, vandalism, malicious mischief, flood, earthquake, public liability, product liability, business interruption and terrorism) (in the case of terrorism, to the extent commercially available) as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the U.S. Borrower or such Subsidiary engages in business or owns properties.

(b) When the Leverage Ratio is less than 6.00:1.00, the U.S. Borrower and the Guarantors shall provide, or cause to be provided, for themselves and each of their Restricted Subsidiaries, insurance (including appropriate self insurance) against loss or damage of the kinds that, in the reasonable, good faith opinion of the U.S. Borrower is adequate and appropriate for the conduct of the business of the U.S. Borrower, the Guarantors and such Restricted Subsidiaries.

(c) Each Borrower will furnish to the Lenders from time to time such information as may be requested as to the insurance maintained pursuant to this Section 10.04.

10.05. Preservation of Existence, Etc. Subject to Section 11.09, the U.S. Borrower and the Guarantors will do or cause to be done all things necessary to preserve and keep in full force and effect their respective corporate existence and the corporate (or other organizational) existence in accordance with their respective organizational documents (as the same may be amended from time to time) and the rights (charter and statutory), and corporate or other organizational and franchises of the U.S. Borrower and the Guarantors; provided, however, that nothing in this Section 10.05 will prohibit the U.S. Borrower or any Guarantor from engaging in any transactions permitted under this Agreement, including Section 11.09 hereof, and neither the U.S Borrower nor any Guarantor shall be required to preserve any such right, franchise or existence if the board of directors of the general partner of the U.S. Borrower shall determine that the preservation thereof is no longer desirable in the conduct of the business of the U.S. Borrower, the Guarantors and their Subsidiaries taken as a whole and that the loss thereof is not adverse in any material respect to the Lenders.

10.06. Access; Annual Meetings with Lenders. (a) Access. The U.S. Borrower shall, at any reasonable time and from time to time upon reasonable advance notice, permit the Administrative Agent or any of the Lenders, or any agents or representatives thereof, at the

expense of the Lenders (but such expense to be reimbursed by the U.S. Borrower in the event that any of the following reveal a material Default or Event of Default) to, under the guidance of officers of the U.S. Borrower or its Subsidiaries (unless such officers are not made available for such purpose upon reasonable advance notice), (i) examine and make copies of and abstracts from the records and books of account of the U.S. Borrower and each of its Subsidiaries, (ii) visit the properties of the U.S. Borrower and each of its Subsidiaries, (iii) discuss the affairs, finances and accounts of the U.S. Borrower and each of its Subsidiaries with any of their respective officers or directors, and (iv) communicate directly with each Borrower's independent certified public accountants.

(b) Annual Meetings with Lenders. At the request of the Administrative Agent or the Required Lenders, the U.S. Borrower shall, at least once during each fiscal year (other than during the fiscal year in effect on the Effective Date) of the U.S. Borrower, hold a meeting (at a mutually agreeable location and time) with all of the Lenders at which meeting the financial results of the previous fiscal year and the financial condition of the U.S. Borrower and its Subsidiaries and the budgets presented for the current fiscal year of the U.S. Borrower and its Subsidiaries shall be reviewed, with each Lender bearing its own travel, lodging, food and other costs associated with attending any such meeting.

10.07. Keeping of Books. The U.S. Borrower shall keep, and shall cause each of its Subsidiaries to keep, proper books of record and account, in which proper entries shall be made of all financial transactions and the assets and business of the U.S. Borrower and each such Subsidiary.

10.08. Maintenance of Properties, Etc. The U.S. Borrower shall maintain and preserve, and shall cause each of its Subsidiaries to maintain and preserve, (i) all of its properties which are used or useful or necessary in the conduct of its business in good working order and condition (ordinary wear and tear and damage by casualty excepted), and (ii) all rights, permits, licenses, approvals and privileges (including, without limitation, all Permits) which are used or useful or necessary in the conduct of its business; provided, however, that no Borrower shall be deemed in default of this Section 10.08 if all such failures in the aggregate are not reasonably likely to have a Material Adverse Effect.

10.09. Management Agreements, Operating Leases and Certain Other Contracts. (a) Management of Hotel Properties. Subject to Section 10.09(c), unless the Required Lenders otherwise agree in writing, the U.S. Borrower will take, and will cause each of its Subsidiaries to take, all action necessary so that (i) each Hotel Property is at all times managed by a Permitted Facility Manager pursuant to a Management Agreement, and (ii) each Hotel Property that is leased by the U.S. Borrower or any of its Subsidiaries as lessor is at all times leased to an Approved Lessee pursuant to an Operating Lease; provided, however, that the U.S. Borrower and its Subsidiaries shall not be deemed to be in breach of the covenants set forth in this Section 10.09(a) by virtue of a failure to so maintain a Management Agreement or Operating Lease, so long as (x) the U.S. Borrower or its relevant Subsidiary is diligently pursuing engaging a replacement Permitted Facility Manager or Approved Lessee pursuant to a Management Agreement or Operating Lease, as applicable, and (y) the failure to have maintained such Management Agreement or Operating Lease could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Enforcement of Certain Contracts. Subject to Section 10.09(c), the U.S. Borrower will, and will cause each of its Subsidiaries to, (i) enforce the provisions of each Operating Lease, each Management Agreement, each Franchise Agreement and each other material agreement, contract or instrument to which such Approved Lessee is a party or by which such Approved Lessee is bound and which affects the ownership, leasing, management or operation of any Real Property owned or leased by the U.S. Borrower or any of its Subsidiaries, and (ii) to the extent it has the power or right to do so (whether by contract or otherwise) cause each Approved Lessee and Facility Manager to, (x) maintain in good standing all material licenses, certifications, accreditations and other approvals applicable to it or to any Hotel Property which it owns, leases, manages or operates and (y) to comply, in all material respects with all Requirements of Law, Permits, Contractual Obligations, commitments, instruments, licenses, permits and franchises, except to the extent contested in good faith and by proper proceedings, or as is appropriate and consistent with good business practice; provided, however, that, in the case of each of clause (i) and (ii) of this Section 10.09(b), the U.S. Borrower shall not be deemed in default of such clause if all non-compliances with the requirements of such clause, individually or in the aggregate, could not reasonably be expected to have Material Adverse Effect.

(c) Limited Applicability of Section 10.09. The provisions of clauses (a) and (b) of this Section 10.09 shall not apply at the time the Leverage Ratio is less than 6.00:1.00.

10.10. Application of Proceeds. Each Borrower shall use the entire amount of the proceeds of the Revolving Credit Loans as provided in Section 8.08.

10.11. Information Covenants. The U.S. Borrower will furnish to the Administrative Agent and each of the Lenders:

(a) Quarterly Financial Statements and Reports. Within 60 days (but in no event later than 15 days after the related filing deadline under SEC rules and regulations) after the close of each of the first three quarterly accounting periods in each fiscal year of the U.S. Borrower (commencing with the quarterly accounting period ending closest to June 18, 2004), (i) a consolidated balance sheet of the U.S. Borrower and its Subsidiaries as at the end of such quarterly accounting period, (ii) the related consolidated statements of income for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly accounting period and (iii) the related consolidated statements of cash flows for the elapsed portion of the fiscal year ended with the last day of such quarterly accounting period, in each case setting forth comparative figures for the corresponding dates and fiscal periods in the prior fiscal year, all of which shall be in reasonable detail and certified by an Authorized Financial Officer of the U.S. Borrower that, to the best of such officer's knowledge after due inquiry, they fairly present, in all material respects, the financial condition of the U.S. Borrower and its Subsidiaries as of the dates indicated and the results of their operations and changes in their cash flows for the periods indicated, subject to normal year-end audit adjustments.

(b) Annual Financial Statements. Within 105 days (but in no event later than 15 days after the related filing deadline under SEC rules and regulations) after the close of each fiscal year of the U.S. Borrower, the consolidated balance sheet of the U.S.

Borrower and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of shareholders' equity as of the end of such fiscal year and of income and cash flows for such fiscal year setting forth comparative figures as of the end of and for the preceding fiscal year and certified by Ernst & Young, KPMG, PricewaterhouseCoopers or Deloitte & Touche or such other independent certified public accountants of recognized national standing reasonably acceptable to the Administrative Agent, together with a report of such accounting firm stating that in the course of its regular audit of the financial statements of the U.S. Borrower and its Subsidiaries, which audit was conducted in accordance with generally accepted auditing standards, such accounting firm obtained no knowledge of any Default or Event of Default which has occurred and is continuing in respect of Section 9, or, if in the opinion of such accounting firm such a Default or an Event of Default has occurred and is continuing, a statement as to the nature thereof.

(c) Forecasts. No later than 60 days after the first day of each fiscal year of the U.S. Borrower, a corporate forecast substantially in the form attached hereto as Exhibit K for such fiscal year with respect to the U.S. Borrower and its Subsidiaries, accompanied by a statement of an Authorized Financial Officer of the U.S. Borrower to the effect that, to the best of such officer's knowledge, the forecast is a reasonable estimate of the period covered thereby.

(d) Officer's Certificates. At the time of the delivery of the financial statements provided for in Sections 10.11(a) and (b), a certificate of an Authorized Financial Officer of the U.S. Borrower to the effect that, to the best of such officer's knowledge, no Default or Event of Default has occurred and is continuing or, if any Default or Event of Default has occurred and is continuing, specifying the nature and extent thereof, which certificate shall (x) set forth (in reasonable detail) the calculations required to establish whether the U.S. Borrower and its Subsidiaries were in compliance with the provisions of Sections 9.01, 9.02, 9.03 (including in the case of the Revolving Facility A Financial Covenants and Revolving Facility B Financial Covenants, computations showing whether the U.S. Borrower and its Subsidiaries would be in compliance with such covenants were they to be in effect whether or not they are actually in effect), 11.02, 11.08, 11.10, 11.11 and 11.12, at the end of such fiscal quarter or year, as the case may be (calculated on a Pro Forma Basis for the covenants required to be so calculated using the end of such fiscal quarter or year, as the case may be, as the Determination Date) and (y) set forth (in reasonable detail) the calculations and other determinations required to establish whether the U.S. Borrower and its Subsidiaries were in compliance with the provisions of Section 5.02(b)) during, and for the 12 month period ending on the last day of, such quarterly accounting period or fiscal year, as the case may be. The certificate shall also set forth the Applicable Margin (including, if applicable, the Excess Usage Premium and the Excess Usage Amount to which such premium relates) for the current Fiscal Quarter. In addition to the certificates required pursuant to this Section 10.11(d), the U.S. Borrower shall also deliver an annual compliance certificate relating to the Governing Senior Note Indenture in the form and at the time such certificate is required to be delivered under the Governing Senior Note Indenture.

(e) Notice of Default or Litigation. Promptly, and in any event within three Business Days after the President, the Chief Executive Officer, any Vice President or any Authorized Financial Officer of any Credit Party obtains knowledge thereof, notice of (i) the

occurrence of any event which constitutes a Default or an Event of Default and (ii) any litigation or governmental investigation or proceeding pending or threatened (x) against the U.S. Borrower or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect, (y) with respect to any material Indebtedness of the U.S. Borrower or any of its Subsidiaries or (z) with respect to any Credit Document.

(f) Management Letters. Promptly after any Credit Party's receipt thereof, a copy of any "management letter" received by such Credit Party from its certified public accountants and management's responses, if any, thereto.

(g) Other Reports and Filings. Promptly, and without duplication of any documents or information delivered pursuant to another clause of this Section 10.11, copies of all financial information, proxy materials and other information and reports, if any, which the U.S. Borrower or any of its Subsidiaries shall file with the SEC (it being understood, however, that with respect to any preliminary filings made with the SEC, the U.S. Borrower need only deliver a written notice describing such filing) and copies of all notices and reports which the U.S. Borrower or any of its Subsidiaries shall deliver to holders of the Senior Notes pursuant to the terms of the documentation governing such Indebtedness (or any trustee, agent or other representative therefor).

(h) Environmental Matters. Promptly upon, and in any event within ten Business Days after the President, the Chief Executive Officer, any Vice President or any Authorized Financial Officer of any Credit Party obtaining knowledge thereof, notice of one or more of the following environmental matters to the extent that any such environmental matters, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect:

(i) any pending or threatened Environmental Claim against the U.S. Borrower or any of its Subsidiaries or any Real Property owned, leased or operated by the U.S. Borrower or any of its Subsidiaries;

(ii) any condition or occurrence on or arising from any Real Property owned, leased or operated by the U.S. Borrower or any of its Subsidiaries that (a) results in non-compliance by the U.S. Borrower or any of its Subsidiaries with any applicable Environmental Law or (b) could reasonably be expected to form the basis of an Environmental Claim against the U.S. Borrower or any of its Subsidiaries or any such Real Property;

(iii) any condition or occurrence on any Real Property owned, leased or operated by the U.S. Borrower or any of its Subsidiaries that could reasonably be expected to cause such Real Property to be subject to any restrictions on the ownership, lease, occupancy, use or transferability by the U.S. Borrower or any of its Subsidiaries of such Real Property under any Environmental Law; and

(iv) the taking of any removal or remedial action in response to the actual or alleged presence of any Hazardous Material on any Real Property owned, leased

or operated by the U.S. Borrower or any of its Subsidiaries as required by any Environmental Law or any governmental or other administrative agency.

All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and the U.S. Borrower's or such Subsidiary's response or proposed response thereto.

(i) Other Information. From time to time, such other information or documents (financial or otherwise) with respect to HMC, the U.S. Borrower and/or any of its Subsidiaries as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request.

(j) ERISA. Within 15 Business Days after the U.S. Borrower, any Subsidiary of the U.S. Borrower or any ERISA Affiliate knows or has reason to know of the occurrence of any event relating to compliance by the U.S. Borrower or any Subsidiary thereof or any ERISA Affiliate under ERISA has occurred to the extent that such events, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, the U.S. Borrower will deliver to the Administrative Agent a certificate of an Authorized Financial Officer of the U.S. Borrower setting forth details as to such occurrence and the action, if any, that the U.S. Borrower, such Subsidiary or such ERISA Affiliate is required or proposes to take, together with any notices required or proposed to be given to or filed with or by the U.S. Borrower, such Subsidiary, such ERISA Affiliate, the PBGC, a Plan participant or the Plan administrator with respect thereto. The U.S. Borrower will deliver to the Administrative Agent (with sufficient copies for each Bank) (i) a complete copy of the annual report (Form 5500) of each Single Employer Plan (including, to the extent required, the related financial and actuarial statements and opinions and other supporting statements, certifications, schedules and information) required to be filed by the U.S. Borrower or any of its Subsidiaries with the Internal Revenue Service and (ii) copies of any records, documents or other information that must be furnished to the PBGC with respect to any Plan pursuant to Section 4010 of ERISA. In addition to any certificates or notices delivered to the Administrative Agent pursuant to the first sentence hereof, copies of annual reports and any material notices received by the U.S. Borrower, any Subsidiary of the U.S. Borrower or any ERISA Affiliate with respect to any Plan or Foreign Pension Plan shall be delivered to the Administrative Agent (with sufficient copies for each Bank) no later than 15 Business Days after the date such report has been filed with the Internal Revenue Service or such notice has been received by the U.S. Borrower, such Subsidiary or such ERISA Affiliate, as applicable.

(k) Designation of Fifty Percent Ventures as Subsidiaries; Designation of Unrestricted Subsidiary. Promptly after the designation of a Fifty Percent Venture as a Restricted Subsidiary (as such terms are defined in the Governing Senior Note Indenture) under the Governing Senior Note Indenture, notice thereof to the Administrative Agent stating that as a result of such designation such Fifty Percent Venture constitutes a "Subsidiary" pursuant to the definition of such term. The U.S. Borrower shall also notify the Administrative Agent promptly upon the designation of an Unrestricted Subsidiary under the Governing Senior Note Indenture (or any change in any such designation).

(l) Financial Information Regarding the U.S. Borrower and Guarantors. As soon as practicable after request from the Administrative Agent (but not, unless an Event of Default shall have occurred and be continuing, more than once for the fiscal year ending December 31, 2004 and more than twice for each fiscal year thereafter), information concerning the combined EBITDA of the Guarantors and the combined revenues, assets and EBITDA of the issuers of pledged securities included in the Collateral.

10.12. Intentionally Omitted.

10.13. Certain Subsidiaries. (a) The U.S. Borrower will ensure that at all times either the U.S. Borrower or a Wholly-Owned Subsidiary of the U.S. Borrower that is a Guarantor is (i) the sole general partner of any Guarantor that is a partnership, or (ii) the sole managing member (or has the sole right to designate members of the Board of Managers) of any Guarantor that is a limited liability company.

(b) Except as set forth on Schedule IV or otherwise permitted pursuant to Section 10.15, the U.S. Borrower will ensure that at all times (i) either the U.S. Borrower or a Wholly-Owned Subsidiary of the U.S. Borrower that is a Guarantor owns 100% of the equity interests in each Look-Through Subsidiary and (ii) the equity interests owned by the U.S. Borrower (directly or indirectly) in each Subsidiary of the U.S. Borrower that is not a Look-Through Subsidiary are owned directly or indirectly by a Look-Through Subsidiary that is a Guarantor.

10.14. Foreign Subsidiaries Security. If following a change in the relevant sections of the Code or the regulations, rules, rulings, notices or other official pronouncements issued or promulgated thereunder, counsel for the U.S. Borrower reasonably acceptable to the Administrative Agent does not within 30 days after a request from the Administrative Agent or the Required Lenders deliver a legal opinion, in form and substance mutually satisfactory to the Administrative Agent and the U.S. Borrower, with respect to any wholly-owned Foreign Subsidiary that is not a Look-Through Subsidiary which has not already had all of its stock pledged pursuant to the Pledge and Security Agreement, that (i) a pledge of 66-2/3% or more of the total combined voting power of all classes of capital stock of such Foreign Subsidiary entitled to vote, and (ii) the entering into by such Foreign Subsidiary of a guaranty in substantially the form of the Subsidiaries Guaranty, in any such case could reasonably be expected to cause (A) the undistributed earnings of such Foreign Subsidiary as determined for Federal income tax purposes to be treated as a deemed dividend to such Foreign Subsidiary's United States parent for Federal income tax purposes or (B) other material adverse Federal income tax consequences to the Credit Parties, then (in each case, subject to any restrictions described in Section 10.15) in the case of a failure to deliver the evidence described in clause (i) above, that portion of such Foreign Subsidiary's outstanding capital stock not theretofore pledged pursuant to (and to the extent required by) the Pledge and Security Agreement shall be pledged to the Collateral Agent for the benefit of the Secured Creditors pursuant to the Pledge and Security Agreement (or another pledge agreement in substantially similar form, if needed), and in the case of a failure to deliver the evidence described in clause (ii) above, such Foreign Subsidiary (to the extent that same is a Wholly-Owned Subsidiary) shall execute and deliver (x) the Subsidiaries Guaranty (or another guaranty in substantially similar form, if needed), guaranteeing the Obligations of the U.S. Borrower under the Credit Documents and (y) the Pledge and Security Agreement (or another

pledge agreement in substantially similar form, if needed) securing such Foreign Subsidiary's obligations under the Subsidiaries Guaranty, in each case to the extent that entering into such Pledge and Security Agreement or Subsidiaries Guaranty is permitted by the laws of the respective foreign jurisdiction and would be required pursuant to Section 10.15, and with all documents delivered pursuant to this Section 10.14 to be in form and substance reasonably satisfactory to the Administrative Agent.

10.15. Additional Guarantors; Release of Guarantors and Collateral. (a) (1) If, at any time after the Effective Date, (x) the U.S. Borrower (directly or indirectly) acquires, establishes or creates any Wholly-Owned Subsidiary that is a Look-Through Subsidiary (or in the circumstances contemplated by Section 10.14, any other Wholly-Owned Foreign Subsidiary), or (y) any Subsidiary of the U.S. Borrower guaranties the obligations of the U.S. Borrower under the Senior Notes or under any other Indebtedness of the U.S. Borrower, such Subsidiary shall be required in accordance with the requirements of Section 10.15(c) (I) to become a Guarantor and (II) to the extent that such Subsidiary is a Wholly-Owned Subsidiary and a Look-Through Subsidiary to become a Pledgor for the purpose of pledging the capital stock or the equity interests of each Subsidiary of such Pledgor that is a Wholly-Owned Subsidiary and Look-Through Subsidiary (subject to the limitations set forth below and in the Pledge and Security Agreement); provided, however, that the requirements of this clause (II) shall not apply to any Subsidiary so long as such Subsidiary does not own equity interests in any other Person that are required under the Credit Documents to be pledged.

(2) Notwithstanding anything to the contrary contained above in this Section 10.15(a) or anything else in this Agreement or in any other Credit Document, (I) no Subsidiary of the U.S. Borrower shall be required to become a Guarantor or Pledgor, (II) in the event that any Subsidiary of the U.S. Borrower is a Guarantor or Pledgor, such Subsidiary may be released from its obligations under the Subsidiaries Guaranty and the Pledge and Security Agreement, as applicable, upon notice by the U.S. Borrower to the Administrative Agent (so long as, in the case of a Subsidiaries Guaranty delivered pursuant to clause (y) of Section 10.15(a)(1), such Subsidiary is simultaneously released from all guaranties of Indebtedness of the U.S. Borrower), and (III) no capital stock or other equity of a Subsidiary of the U.S. Borrower shall be required to be pledged under the Pledge and Security Agreement (or, in the case of clause (iv) below, be required to be pledged until accepted by the Administrative Agent) and, to the extent theretofore pledged, may be released from the Pledge and Security Agreement upon notice by the U.S. Borrower to the Collateral Agent, in each case under one or more of the following circumstances:

(i) with respect to clauses (I), (II) and (III) above, such Subsidiary's only assets consist of $5,000 or less in cash;

(ii) with respect to clauses (I) and (II) above only, such Subsidiary, or the direct or indirect parent company or general partner of such Subsidiary whose only significant asset (in each case) is the equity ownership of such Subsidiary (or the direct or indirect parent company of such Subsidiary), enters into (or is a party to) a material contract pursuant to a transaction otherwise permitted under this Agreement and the terms of which prohibit or restrict such Subsidiary from executing a counterpart of the Subsidiaries Guaranty and/or the Pledge and Security Agreement (and from becoming a

guarantor under the Senior Notes or other Indebtedness other than Indebtedness incurred under such material contract);

(iii) with respect to clause (III) above only, such Subsidiary, the U.S. Borrower or any other Subsidiary of the U.S. Borrower, enters into (or is a party to) a material contract pursuant to a transaction otherwise permitted under this Agreement and the terms of which prohibit or restrict the capital stock or other equity of such Subsidiary from being pledged under the Pledge and Security Agreement (as opposed to restricting or prohibiting the ability of the Collateral Agent to exercise remedies with respect to such pledge); or

(iv) with respect to any pledge of any interest in a Foreign Subsidiary, the Administrative Agent shall have determined in its sole discretion that the pledge pursuant to the Pledge and Security Agreement may expose any Lender to liability (but only for so long as the Administrative Agent shall have so determined), in which case the U.S. Borrower shall, if requested by the Administrative Agent at any time, promptly (and in any event within 20 Business Days) cause the applicable Pledgor to pledge such interests pursuant to a pledge and security agreement the terms of which (A) would not, in the Administrative Agent's sole discretion, result in any such liability and (B) are no less favorable to the U.S. Borrower or any of its Subsidiaries as are the terms of the Pledge and Security Agreement.

(b) (1) Each Wholly-Owned Subsidiary of the U.S. Borrower that is a Look-Through Subsidiary that is not a party to the Subsidiaries Guaranty and the Pledge and Security Agreement (or has been released from its obligations under the Subsidiaries Guaranty and/or the Pledge and Security Agreement) because of the restrictions described in Part III of Schedule IV or under the circumstances described in Section 10.15(a), (2) shall be required in accordance with the requirements of Section 10.15(c), following the termination of such restrictions (unless new restrictions are imposed under a material contract entered into pursuant to a transaction otherwise permitted under this Agreement) or acquiring assets (including additional cash) in addition to at least $5,000 in cash (i) to become a Guarantor and (ii) to the extent that such Subsidiary is a Look-Through Subsidiary, to become a Pledgor; provided, however, that the requirements of this clause (ii) shall not apply to any Subsidiary so long as such Subsidiary does not own equity interests in any other Person that are required under this Agreement to be pledged.

(2) The capital stock or other equity of each Subsidiary of the U.S. Borrower that has not been pledged under the Pledge and Security Agreement (or has been released from the Pledge and Security Agreement) because of the restrictions described in Part III of Schedule IV or under the circumstances described in Section10.15(a)(2) shall be required in accordance with the requirements of Section 10.15(c), following the termination of such restrictions (unless new restrictions are imposed under a material contract entered into pursuant to a transaction otherwise permitted under this Agreement) or such Subsidiary acquiring assets (including additional cash) in addition to at least $5,000 in cash, to be pledged pursuant to (and to the extent required by) the Pledge and Security Agreement.

(c) Each Subsidiary required to become a Guarantor or Pledgor or to pledge additional equity interests pursuant to the preceding Sections 10.15(a) and (b) shall (i) promptly thereafter (but in no event later than 30 days after the occurrence of any event specified in such Sections) execute and deliver counterparts to the Subsidiaries Guaranty or Pledge and Security Agreement, as applicable, (ii) promptly thereafter (or such other time as is specified in Section 15(d) of the Pledge and Security Agreement with respect to delivery of the Partnership/LLC Notice and Pledge Acknowledgment referred to therein) in the case of the execution of any counterpart to the Pledge and Security Agreement or the pledge of any additional equity interests pursuant to Section 10.15(b)(2), cause to be executed and delivered all other relevant documentation necessary or appropriate to perfect the security interest granted by such Pledgor pursuant to the Pledge and Security Agreement, with all such actions to be taken to the reasonable satisfaction of the Administrative Agent, and (iii) unless the Administrative Agent otherwise agrees in writing, deliver, no later than the time of required delivery of the compliance certificate pursuant to Section 10.11(d) relating to the subsequent fiscal quarter (or year end, as applicable) opinions of counsel of the type described in Section 6 as if such Subsidiary were a Credit Party on the Effective Date.

(d) Except as otherwise set forth in this Section 10.15(d), upon the written request to the Administrative Agent, the Collateral consisting of Pledged Securities pledged pursuant to the Pledge and Security Agreement (the "Stock Collateral") shall be released, and the requirements of Sections 10.14 and 10.15(a), (b) and (c) and the related provisions of the Pledge and Security Agreement shall cease to be in effect to the extent they relate to pledges but shall continue to be effective with respect to guarantees, if all of the following conditions have been satisfied on or prior to the date of release (the "Collateral Release Date"): (i) for the two most recent consecutive fiscal quarters of the U.S. Borrower ending prior to the Collateral Release Date the Leverage Ratio is less than 6:00:1.00, (ii) no Default or Event of Default shall have occurred on or prior to and be continuing on the Collateral Release Date, (iii) the U.S. Borrower shall have delivered to the Administrative Agent at least 15 Business Days prior to the Collateral Release Date a request to release Pledged Collateral, which request shall (x) specify the proposed Collateral Release Date, (y) if not already provided, provide financial statements pursuant to Section 10.11 for such fiscal quarters, and (z) contain a certification of an Authorized Financial Officer that the conditions to release of Stock Collateral have been satisfied (and providing a computation of the Leverage Ratio demonstrating such compliance), and (iv) all Stock Collateral being released shall also be released as collateral for the U.S. Borrower's obligations under the Governing Senior Note Indenture; provided, however, that in the event the Leverage Ratio equals or exceeds 6:00 to 1:00 at any time after the Collateral Release Date for a period of two consecutive fiscal quarters, the security interest in all such released Pledged Collateral shall be recreated within 30 days, and the requirements of Sections 10.14 and 10.15(a), (b) and (c) shall thereafter once again be in effect. The Collateral Agent shall promptly execute such documents and take such other actions as the U.S. Borrower may reasonably request to evidence any release of the Stock Collateral pursuant to this Section 10.15(d). Notwithstanding anything to the contrary in this Section 10.15(d), the U.S. Borrower shall have the option to defer the release of the Stock Collateral on the Collateral Release Date while causing the provisions of Sections 10.14 and 10.15(a), (b) and (c) and the related provisions of the Pledge and Security Agreement that require pledges in respect of newly-formed or newly-acquired Subsidiaries to cease to be effective on the Collateral Release Date.

(e) Notwithstanding the last sentence of Sections 2.01(a) and 2.01(b) or Section 15.01, with respect to Canadian Borrowers that are not Look-Through Subsidiaries, if after the date hereof such Canadian Borrower is no longer party to a material contract that prohibits such Canadian Borrower from providing a joint and several guarantee of the Obligations of each Canadian Borrower under this Agreement, such Canadian Borrower shall enter into and deliver a joint and several guarantee of each Canadian Borrower's Obligations under this Agreement (but excluding any Obligations arising under the Subsidiaries Guaranty or Pledge and Security Agreement) pursuant to an agreement reasonably satisfactory to the Administrative Agent within 30 days after the termination of such contractual restrictions, together with such legal opinions and certificates as the Administrative Agent may reasonably request.

10.16. End of Fiscal Years; Fiscal Quarters. The U.S. Borrower will cause (i) each of its, and each of its Subsidiaries', fiscal years to end on December 31 and (ii) each of its, and each of its Subsidiaries', first three fiscal quarters to end on the last day of the 12th, 24th and 36th week, respectively, of each fiscal year and the fourth fiscal quarter to end on December 31, it being understood that (x) if any Hotel Property owned or leased by a Subsidiary of HMC is managed or leased by an Approved Lessee or a Facility Manager other than Marriott International or any Wholly-Owned Subsidiary of Marriott International, HMC and the U.S. Borrower shall cause such Subsidiary's fiscal years and fiscal quarters to end on dates as close as reasonably practicable to the dates set forth above in this Section 10.16 and (y) HMC and the U.S. Borrower may elect to change each of its and each of its Subsidiaries' fiscal quarters to end on March 31, June 30, September 30 and December 31.

10.17. Environmental Matters. (a) The U.S. Borrower shall comply and shall cause each of its Subsidiaries and each property owned or leased by such parties to comply in all material respects with all applicable Environmental Laws currently or hereafter in effect except for such non-compliance as could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and will pay or cause to be paid all costs and expenses incurred in connection with such compliance, and will keep or cause to be kept all such Real Property free and clear of any Liens imposed pursuant to such Environmental Laws.

(b) At the written request of the Administrative Agent or the Required Banks, which request shall specify in reasonable detail the basis therefor, at any time and from time to time after (i) the Administrative Agent receives notice under Section 10.11(h) of any event for which notice is required to be delivered for any Real Property or (ii) the U.S. Borrower or any of its Subsidiaries are not in compliance with Section 10.17(a) with respect to any Real Property, the U.S. Borrower will provide, at its sole cost and expense, an environmental site assessment report concerning any such Real Property now or hereafter owned, leased or operated by the U.S. Borrower or any of its Subsidiaries, prepared by an environmental consulting firm reasonably approved by the Administrative Agent, indicating the presence or absence of Hazardous Materials and the potential cost of any removal or remedial action in connection with any Hazardous Materials on such Real Property. If the U.S. Borrower fails to provide the same within 90 days after such request was made, the Administrative Agent may order the same, and the U.S. Borrower shall grant and hereby grants, to the Administrative Agent and the Banks and their agents access to such Real Property and specifically grants the Administrative Agent and

the Banks an irrevocable non-exclusive license, subject to the rights of tenants, to undertake such an assessment, all at the U.S. Borrower's expense.

SECTION 11. Negative Covenants. Each Borrower hereby covenants and agrees (as to itself and each of its Subsidiaries) that from and after the Effective Date and until the Total Revolving Loan Commitment has terminated and the Revolving Loans and Revolving Notes, together with interest, Fees and all other Obligations incurred hereunder and thereunder, are paid in full:

11.01. Liens. The U.S. Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume or suffer to exist:

(i) any Lien (other than Permitted Liens, to the extent such Permitted Liens secure Indebtedness) upon or with respect to any property or assets (real or personal, tangible or intangible) of the U.S. Borrower or any of its Subsidiaries, whether now owned or hereafter acquired, if such Lien secures any Indebtedness of the U.S. Borrower or any of its Subsidiaries other than (x) Secured Indebtedness otherwise permitted to be incurred or to exist hereunder, (y) Indebtedness secured by a Lien under the Pledge and Security Agreement or (z) Indebtedness owed to the U.S. Borrower or any of its Subsidiaries; provided, that the foregoing shall not permit any Lien on the Collateral except pursuant to the Pledge and Security Agreement, or

(ii) any Lien upon or with respect to Capital Stock in any Subsidiary of the U.S. Borrower securing Indebtedness of the U.S. Borrower, in the event that the Obligations are no longer secured by Liens under the Pledge and Security Agreement; provided, however, that this Section 11.01(ii) shall not prohibit Liens with respect to the Capital Stock of a Subsidiary that are imposed by a material contract (other than the Senior Note Indenture) entered into by the U.S. Borrower or any Subsidiary pursuant to a transaction otherwise permitted by this Agreement.

11.02. Indebtedness. The U.S. Borrower will not, and will not permit any of its Subsidiaries to, incur or assume:

(i) any Indebtedness if (a) either (I) immediately before giving effect to the incurrence or assumption of such Indebtedness there exists a Default or Event of Default or (II) immediately after giving effect to the incurrence or assumption of such Indebtedness after giving effect to the application of the proceeds thereof, there exists a Default or Event of Default or (b) based on calculations made by the U.S. Borrower on a Pro Forma Basis after giving effect to such incurrence or assumption and as if such incurrence or assumption had occurred on the first day of the respective Calculation Period, a Default or Event of Default will exist in respect of, or would have existed during the Test Period last reported (or required to be reported pursuant to Section 10.11(a) or Section 10.11(b), as the case may be) prior to the date of the respective incurrence or assumption in respect of, the financial covenants contained in Sections 9.01 through 9.03, inclusive; provided that the foregoing provisions of this Section 11.02(i) shall not apply to (x) accrued expenses and current trade accounts payable incurred in the ordinary course of business (to the extent that any such amounts

constitute Indebtedness); (y) Indebtedness under Interest Rate Protection Agreements and Other Hedging Agreements entered into with respect to other Indebtedness permitted under this Agreement; and (z) accrued and deferred management fees under any Management Agreement (to the extent that any such amounts constitute Indebtedness); or

(ii) any Contingent Obligations (excluding Contingent Obligations relating to Customary Non-Recourse Exclusions except to the extent a personal recourse claim is made in connection therewith) of the U.S. Borrower in respect of Non-Recourse Indebtedness, if the aggregate amount of such Contingent Obligations that are incurred by the U.S. Borrower in respect of Non-Recourse Indebtedness after the Effective Date and remain outstanding exceeds 3% of the Adjusted Total Assets of the U.S. Borrower.

11.03. Limitation on Certain Restrictions on Subsidiaries. The U.S. Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Subsidiary of the U.S. Borrower to (a) pay dividends or make any other distributions on its capital stock or any other interest or participation in its profits owned by the U.S. Borrower or any of its Subsidiaries, or pay any Indebtedness owed to the U.S. Borrower or any Subsidiary of the U.S. Borrower, (b) make loans or advances to the U.S. Borrower or any Subsidiary of the U.S. Borrower or (c) transfer any of its properties or assets to the U.S. Borrower or any Subsidiary of the U.S. Borrower, except in each case for such encumbrances or restrictions:

(i) which do not materially adversely affect the U.S. Borrower's ability to repay the Obligations when due and, in the U.S. Borrower's reasonable estimation, the ability to comply with the Applicable Covenants set forth in Sections 9.01 through 9.03, inclusive, and Section 9.04(b), or

(ii) existing under or by reason of (A) applicable law, (B) this Agreement and the other Credit Documents, (C) the Senior Note Documents or (D) documents or instruments relating to Secured Indebtedness otherwise permitted hereunder; provided that in the case of this clause (D), such restrictions relate solely to assets constituting collateral thereunder or cash proceeds from or generated by such assets.

11.04. Limitation on Issuance of Capital Stock. The U.S. Borrower will not permit any of its Subsidiaries to issue any capital stock (including by way of sales of treasury stock) or other equity interests or any options or warrants to purchase, or securities convertible into, capital stock or other equity interests, unless (a) the same do not materially adversely affect the U.S. Borrower's ability to repay the Obligations when due or (b) at the time of such issuance, the Financial Condition Test is satisfied.

11.05. Modification and Enforcement of Certain Agreements. (a) At any time that the Leverage Ratio equals or exceeds 6.00:1.00, the U.S. Borrower shall not, and shall not permit any of its Subsidiaries to, alter, amend, modify, rescind, terminate, supplement or waive any of their respective rights under, or fail to comply in all material respects with, any of its material Contractual Obligations (other than the Governing Senior Note Indenture) except any of the foregoing which do not materially adversely affect (i) the U.S. Borrower's ability to repay the

Obligations when due or (ii) in the U.S. Borrower's reasonable estimation, the ability to comply with the Applicable Covenants set forth in Sections 9.01 through 9.03, inclusive, and Section 9.04(b).

(b) At any time that the Leverage Ratio equals or exceeds 6.00:1.00, the U.S. Borrower shall not, and shall not permit any of its Subsidiaries to, amend or modify, or permit the amendment or modification of, any provision of any Management Agreement or Operating Lease, other than any amendment or modification thereto which would not violate this Agreement and the other Credit Documents and so long as the same do not materially adversely affect (i) the U.S. Borrower's ability to repay the Obligations when due or (ii) in the U.S. Borrower's reasonable estimation, the ability to comply with the Applicable Covenants contained in Sections 9.01 through 9.03, inclusive, and Section 9.04(b).

11.06. Limitation on Creation of Subsidiaries. The U.S. Borrower will not, and will not permit any of its Subsidiaries to, establish, create or acquire after the Effective Date any Subsidiary unless the same will not materially adversely affect (a) the U.S. Borrower's ability to repay the Obligations when due or (b) in the U.S. Borrower's reasonable estimation, the ability to comply with the Applicable Covenants set forth in Sections 9.01 through 9.03, inclusive, and Section 9.04(b); provided that the U.S. Borrower shall comply with its obligations under Section 10.15 and the Pledge and Security Agreement with respect to any such new Subsidiary within the time periods applicable thereto.

11.07. Transactions with Affiliates. Neither the U.S. Borrower nor any of its Restricted Subsidiaries will, directly or indirectly, enter into, renew or extend any transaction or series of transactions (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with any Affiliate of the U.S. Borrower ("Affiliate Transactions"), other than Exempted Affiliate Transactions, except upon fair and reasonable terms no less favorable to the U.S. Borrower or such Restricted Subsidiary than could be obtained, at the time of such transaction or, if such transaction is pursuant to a written agreement, at the time of the execution of the agreement providing therefor, in a comparable arm's-length transaction with a Person that is not an Affiliate.

The foregoing limitation does not limit, and shall not apply to:

(i) Except as otherwise required pursuant to the last paragraph of this Section 11.07, transactions approved by a majority of the Board of Directors of HMC;

(ii) Affiliate Transactions on terms and conditions which do not materially adversely affect (a) the U.S. Borrower's ability to repay the Obligations when due or (b) in the U.S. Borrower's reasonable estimation, the ability of the U.S. Borrower to comply with the Applicable Covenants set forth in Sections 9.01 through 9.03, inclusive, and Section 9.04(b);

(iii) the payment of reasonable and customary fees and expenses to members of the Board of Directors of the general partner of the U.S. Borrower who are not employees of the U.S. Borrower;

(iv) any Dividends permitted to be paid under Section 11.11;

(v) loans made and other transactions entered into by the U.S. Borrower and its Restricted Subsidiaries (and not any other Affiliate) to the extent permitted by Section 11; and

(vi) Permitted Sharing Arrangements and payments made pursuant thereto to the extent that such transactions are not otherwise prohibited or restricted pursuant to this Agreement.

Any Affiliate Transaction or series of related Affiliate Transactions, other than Exempted Affiliate Transactions and other than any transaction or series of related transactions specified in any of clauses (ii) through (vi) of this Section 11.07, (a) with an aggregate value in excess of $10 million must first be approved pursuant to a resolution approved by a majority of the Board of Directors (or any authorized committee thereof) of the general partner of the U.S. Borrower who are disinterested in the subject matter of the transaction, and (b) with an aggregate value in excess of $25 million, will require the U.S. Borrower to obtain a favorable written opinion from an independent financial advisor of national reputation as to the fairness from a financial point of view of such transaction to the U.S. Borrower or the applicable Restricted Subsidiary of the U.S. Borrower, except that in the case of a real estate transaction or related real estate transactions with an aggregate value in excess of $25 million but not in excess of $50 million, an opinion may instead be obtained from an independent, qualified real estate appraiser that the consideration received in connection with such transaction is fair to the U.S. Borrower or the applicable Restricted Subsidiary of the U.S. Borrower.

As used herein, the term "Exempted Affiliate Transaction" means (i) employee compensation arrangements approved by a majority of independent (as to such transactions) members of the Board of Directors of the general partner of the U.S. Borrower, (ii) payments of reasonable fees and expenses to the members of the Board of Directors of HMC, the general partner of the U.S. Borrower or their Subsidiaries, (iii) transactions solely between the U.S. Borrower and any of its Subsidiaries or solely among Subsidiaries of the U.S. Borrower, (iv) Permitted Tax Payments, (v) Procurement Contracts, (vi) Operating Agreements, and (vii) Investments, Dividends and payments in respect of subordinated indebtedness otherwise permitted under Sections 11.10 and 11.11, as applicable.

11.08. Sales of Assets. (a) The U.S. Borrower will not, and will not permit any of its Restricted Subsidiaries to, consummate any Asset Sale, unless (i) the consideration received by the U.S. Borrower or such Restricted Subsidiary is at least equal to the fair market value of the assets sold or disposed of as determined by the Board of Directors of the general partner U.S. Borrower in good faith and (ii) at least 75% of the consideration received consists of cash, Cash Equivalents and/or real estate assets; provided that, with respect to the sale of one or more real estate properties, up to 75% of the consideration may consist of Indebtedness of the purchaser of such real estate properties so long as such Indebtedness is secured by a first priority Lien on the real estate property or properties sold; and provided further that, for purposes of this clause (ii) the amount of (A) any Indebtedness (other than Indebtedness subordinated in right of payment to the Obligations) that is required to be repaid or assumed (and is either repaid or assumed by the transferee of the related assets) by virtue of such Asset Sale and which is secured by a Lien on the property or assets sold and (B) any securities or other obligations received by the U.S. Borrower, or any such Restricted Subsidiary from such transferee that are immediately

converted by the U.S. Borrower or such Restricted Subsidiary into cash (or as to which the U.S. Borrower or such Restricted Subsidiary has received at or prior to the consummation of the Asset Sale a commitment (which may be subject to customary conditions) from a nationally recognized investment, merchant or commercial bank to convert into cash within 90 days of the consummation of such Asset Sale and which are thereafter actually converted into cash within such 90-day period) will be deemed to be cash. The U.S. Borrower shall cause the Net Cash Proceeds from any Asset Sale to be applied in the manner required by Section 5.02(b). All Indebtedness secured by the assets sold in the Asset Sale shall be repaid (or irrevocably defeased) except to the extent such Indebtedness is assumed by the transferee of the related assets or the U.S. Borrower and its Restricted Subsidiaries are released from such Indebtedness. In addition, no Asset Sale shall be permitted if a Default or Event of Default then exists or would result therefrom or, based on calculations made by the U.S. Borrower on a Pro Forma Basis after giving effect to such Asset Sale and as if such Asset Sale had occurred on the first day of the respective Calculation Period, a Default or Event of Default will exist in respect of, or would have existed during the Test Period last reported (or required to be reported pursuant to Section 10.11(a) or 10.11(b), as the case may be) prior to the date of the respective Asset Sale in respect of, the Applicable Covenants contained in Sections 9.01 through 9.03, inclusive.

(b) Notwithstanding, and without complying with, any the provisions of the foregoing paragraph (a) or Section 5.02(b):

(i) the U.S. Borrower and its Restricted Subsidiaries may, in the ordinary course of business, convey, sell, lease, transfer, assign or otherwise dispose of inventory acquired and held for resale in the ordinary course of business;

(ii) the U.S. Borrower and its Restricted Subsidiaries may convey, sell, lease, transfer, assign or otherwise dispose of assets pursuant to and in accordance with Section 11.09;

(iii) the U.S. Borrower and its Restricted Subsidiaries may sell or dispose of damaged, worn out or other obsolete property in the ordinary course of business so long as such property is no longer necessary for the proper conduct of the business of the U.S. Borrower or such Restricted Subsidiary, as applicable; and

(iv) the U.S. Borrower and its Restricted Subsidiaries may exchange assets held by the U.S. Borrower or a Restricted Subsidiary of the U.S. Borrower for one or more real estate properties and/or one or more Related Businesses of any Person or entity owning one or more real estate properties and/or one or more Related Businesses; provided that the Board of Directors of the general partner of the U.S. Borrower has determined in good faith that the fair market value of the assets received by the U.S. Borrower or any such Restricted Subsidiary are approximately equal to the fair market value of the assets exchanged by the U.S. Borrower or such Restricted Subsidiary.

(c) No transaction listed in clause (b) of this Section 11.08 shall be deemed to be an Asset Sale under this Agreement.

11.09. Consolidation, Merger, etc. The U.S. Borrower will not, and will not permit any of its Subsidiaries which are Guarantors to, wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation, and the U.S. Borrower will not sell, convey or transfer or otherwise dispose of all or substantially all of its property and assets (as an entirety or substantially as an entirety in one transaction or a series of related transactions) except that:

(i) any Subsidiary of the U.S. Borrower which is a Guarantor may engage in a merger constituting an asset sale or an asset acquisition otherwise permitted under this Agreement;

(ii) any Subsidiary of the U.S. Borrower that is a Guarantor may be merged with and into the U.S. Borrower or any other Subsidiary of the U.S. Borrower that is a Guarantor so long as in the case of any merger involving the U.S. Borrower, the U.S. Borrower is the surviving Person;

(iii) Subsidiaries of the U.S. Borrower which are Guarantors may consolidate or merge with or into (whether or not such Guarantor is the surviving Person) another Person (other than the U.S. Borrower or another Guarantor), so long as (x) the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) assumes all the obligations of such Guarantor under the Subsidiaries Guaranty and otherwise complies with the applicable requirements of Section 10.15; provided, however, that for the purpose of this clause (x), the requirements of Section 10.15(c)(i) and (ii) shall have been satisfied upon the consummation of such consolidation or merger without regard to any additional time otherwise permitted under Section 10.15(c); and (y) immediately before and immediately after giving effect to such transaction, no Default or Event of Default shall have occurred or be continuing; and

(iv) Subsidiaries of the U.S. Borrower which are not Guarantors, are otherwise permitted to be dissolved pursuant to Section 10.05, or have no material assets or material liabilities may be dissolved and liquidated.

11.10. Acquisitions; Investments. (a) At any time that the Leverage Ratio equals or exceeds 6.00:1:00, the U.S. Borrower will not, and will not permit its Subsidiaries to:

(i) acquire ownership of Hotel Properties or other real estate or other assets constituting Related Businesses (or all or a portion of the Capital Stock of a Person owning such real estate or Related Businesses (including (in either case) by way of merger)) if, at the time of such acquisition, the Financial Condition Test is not satisfied;

(ii) acquire ownership of non-real estate assets (other than Permitted Investments or inventory, materials, equipment and other personal property used in the ordinary course of business) (or all or a portion of the Capital Stock of a Person owning primarily such non-real estate assets (including by way of merger or Investment)) if (A) at the time of such acquisition, the Financial Condition Test is not satisfied or (B) after giving effect to such acquisition, the aggregate amount of all such non-real estate assets acquired in the then current fiscal year of the U.S. Borrower pursuant to this Section 11.10(a)(ii) would exceed 1% of the Adjusted Total Assets, determined at the time such

acquisition is made (with any unused Roll Forward Amount from one fiscal year increasing the amount available in subsequent fiscal years); provided that the amount of acquisitions made pursuant to this Section 11.10(a)(ii) shall be calculated net of reductions of such investments resulting from repayments, dividends or other distributions to the U.S. Borrower or any Guarantor from such investments;

(iii) in the case of the U.S. Borrower or any Guarantor, subject to the last paragraph of this Section 11.10(a), make any Investment in a Person that, prior to the consummation of such Investment, is a Subsidiary of the U.S. Borrower that is not a Guarantor if (A), the aggregate amount of all Investments made in the then current fiscal year of the U.S. Borrower pursuant to this Section 11.10(a)(iii) would exceed 2% of the Adjusted Total Assets, determined at the time such Investment is made (with any unused Roll Forward Amount from one fiscal year increasing the amount available in subsequent fiscal years) or (B) at the time of such Investment, the Financial Condition Test is not satisfied; provided that the amount of Investments made pursuant to this Section 11.10(a)(iii) shall be calculated net of (x) any payments by Subsidiaries (other than Guarantors) of obligations owed to the U.S. Borrower or Guarantors, (y) amounts invested in Subsidiaries (other than Guarantors) to provide minimum capital to maintain the existence of Taxable REIT Subsidiaries and (z) distributions from Subsidiaries (other than Guarantors) to the U.S. Borrower or Guarantors); and provided, further that the foregoing shall not prevent the U.S. Borrower or any Guarantor from making Investments, directly or indirectly, in Subsidiaries that are Approved Lessees to the extent necessary, in the reasonable judgment of the U.S. Borrower, to maintain HMC's status as a real estate investment trust under the Code; and

(iv) subject to the last paragraph of this Section 11.10(a), make any Investment in a Person that, prior to the consummation of such Investment, is not a Subsidiary if (A), the aggregate amount of all Investments made in the then current fiscal year of the U.S. Borrower pursuant to this Section 11.10(a)(iv) would exceed 2% of the Adjusted Total Assets, determined at the time such Investment is made (with any unused Roll Forward Amount from one fiscal year increasing the amount available in subsequent fiscal years) or (B) at the time of such Investment, the Financial Condition Test is not satisfied, provided that the amount of Investments made pursuant to this Section 11.10(a)(iv) shall be calculated net of (x) any payments by any such non-Subsidiary of obligations owed to the U.S. Borrower or Guarantors, and (y) distributions from any such non-Subsidiary to the U.S. Borrower or Guarantors.

Notwithstanding anything to the contrary in this Section 11.10(a), for the purposes of determining whether an Investment complies with the requirements of this Section 11.10(a), (A) compliance shall be tested as of the date that the U.S. Borrower or any Subsidiary of the U.S. Borrower enters into a binding contractual commitment relating to such Investment, (B) an Investment that takes place in a series of related transactions contemplated by definitive agreements relating to such Investment (such as an Investment in a form similar to a reverse like-kind exchange transaction as contemplated by Rev. Proc. 2000-37, 2000-2 C.B. 308) will be permitted pursuant to this Section 11.10(a) so long as the completion of such series of related transactions (as opposed to the completion of any individual component) would result in an Investment permitted under this Section 11.10(a), and (C) an Investment otherwise permitted by

Section 11.10(a)(i) or (a)(ii) shall not be subject to the requirements of Sections 11.10(a)(iii) and (a)(iv) if:

(I) such Investment is in a Person that, following the consummation of such Investment, (x) is a Guarantor or becomes a Guarantor in accordance with the requirements of Section 10.15, or (y) is not a Guarantor or does not become a Guarantor as described in the preceding clause (x) solely by virtue of the provisions of Section 10.15(a);

(II) such Investment is a Permitted Investment; or

(III) such Investment is in a Person that is not a Subsidiary, but only to the extent that the consideration paid to acquire such Investment consists of the equity interests in another Person that is not a Subsidiary.

Acquisitions and Investments made during a period when the Leverage Ratio is less than 6.00:1.00 shall, in the event that the Leverage Ratio subsequently exceeds 6.00:1.00, be counted against the baskets provided for in this Section 11.10(a) (as applicable) for purposes of determining basket availability only.

(b) At any time that the Leverage Ratio is less than 6.00:1.00, the U.S. Borrower and the Guarantors shall be permitted to make the Investments and acquisitions described in Section 11.10(a) so long as (i) such Investments and acquisitions do not, directly or indirectly, constitute a Restricted Payment that is prohibited under the Governing Senior Note Indenture and (ii) at the time of such Investments or acquisitions, the Financial Condition Test is satisfied.

11.11. Dividends. (a) At any time that the Leverage Ratio equals or exceeds 6.00:1.00, the U.S. Borrower will not, and will not permit any of its Subsidiaries to, authorize, declare or pay any Dividends with respect to the U.S. Borrower or any of its Subsidiaries, except that:

(i) any Subsidiary of the U.S. Borrower may pay cash Dividends to the U.S. Borrower or to a Wholly-Owned Subsidiary of the U.S. Borrower;

(ii) any non-Wholly-Owned Subsidiary of the U.S. Borrower may pay cash Dividends to its shareholders, members or partners generally so long as the U.S. Borrower or its respective Subsidiary which owns the equity interest or interests in the Subsidiary paying such Dividends receives at least its proportionate share thereof (based upon its relative holdings of equity interests in the Subsidiary paying such Dividends and taking into account the relative preferences, if any, of the various classes of equity interests in such Subsidiary);

(iii) so long as (x) no Specified Default or Event of Default then exists or would exist immediately after giving effect thereto and (y) HMC qualifies, or has taken all other actions necessary to qualify, as a “real estate investment trust” under the Code during any fiscal year of HMC, the U.S. Borrower may pay quarterly cash Dividends (which may be based on estimates) to HMC and all other holders of OP Units

generally when and to the extent necessary for HMC to distribute, and HMC may so distribute, cash Dividends to its shareholders generally in an aggregate amount not to exceed the greater of (I) the greatest of (A) 100% of Cash Available for Distribution for such fiscal year, (B) 100% of Taxable Income and (C) the minimum amount necessary for HMC to maintain its tax status as a real estate investment trust and to satisfy the distributions required to be made by Notice 88-19 under the Code (or Treasury regulations issued pursuant thereto) by reason of HMC making the election provided for therein and (II) at any time when, based upon the financial statements delivered pursuant to Section 10.11(a) or (b) and the U.S. Borrower's estimation of the results of the current fiscal quarter, the Consolidated Interest Coverage Ratio is greater than 2.00:1:00, 85% of the Adjusted Funds From Operations for the current fiscal year;

(iv) so long as no Specified Default or Event of Default then exists or would result therefrom, the U.S. Borrower may pay cash Dividends to HMC so long as the proceeds therefrom are promptly used by HMC to pay (x) any Permitted Tax Payments at the time and to the extent actually due and payable (but without duplication of any tax payments permitted to be made pursuant to Section 11.11(a)(iii) above to satisfy the distribution required to be made by Notice 88-19 under the Code (or Treasury regulations issued pursuant thereto)) and (y) any general corporate and other overhead expenses and liabilities incurred by it to the extent not otherwise prohibited by this Agreement;

(v) so long as no Specified Default or Event of Default then exists or would result therefrom, the U.S. Borrower may pay cash Dividends to HMC in an aggregate amount not to exceed $10,000,000 for the Revolving Credit Period; and

(vi) the U.S. Borrower may pay cash Dividends to HMC so long as HMC promptly thereafter uses the proceeds of such Dividends to repurchase shares of its capital stock and/or the QUIPs and/or redeem the QUIPs Debt, and the Borrower may repurchase OP Units, in each case so long as (i) no Specified Default or Event of Default then exits or would result therefrom, (ii) the aggregate amount of all repurchases and redemptions made pursuant to this Section 11.11(a)(vi) in any fiscal year of HMC does not exceed an amount equal to 1% of Adjusted Total Assets determined at the time of declaration of the Dividend (with any unused Roll Forward Amount from one fiscal year increasing the amount available to be paid as a Dividend under this Section 11.11(a)(vi) in subsequent fiscal years).

Dividends paid during a period when the Leverage Ratio is less than 6.00:1.00 shall, in the event that the Leverage Ratio subsequently exceeds 6.00:1.00, be counted against the baskets provided for in this Section 11.11(a) (as applicable) for purposes of determining basket availability only.

(b) At any time that the Leverage Ratio is less than 6.00:1.00, the U.S. Borrower and the Guarantors will not, and will not permit any of their Restricted Subsidiaries to, directly or indirectly, authorize, declare, or pay any Dividends that would constitute a Restricted Payment that is prohibited under the Governing Senior Note Indenture.

11.12. Capital Expenditures. (a) At any time when the Leverage Ratio equals or exceeds 6.00:1:00, the U.S. Borrower will not, and will not permit any of its Subsidiaries to, make any Capital Expenditures except:

(i) the U.S. Borrower and its Subsidiaries may make acquisitions of Hotel Properties and/or other assets in accordance with the requirements of Sections 11.09 and 11.10, in each case to the extent that same constitute Capital Expenditures;

(ii) in addition to Capital Expenditures permitted by the other clauses of this Section 11.12(a), the U.S. Borrower and its Subsidiaries may make Maintenance Capital Expenditures with respect to their Hotel Properties and other real estate so long as (x) the aggregate amount of all such Capital Expenditures in any fiscal year of the U.S. Borrower does not exceed an amount equal to 8% of the Gross Revenues (determined at the time such Capital Expenditure is made) from all such Hotel Properties and other real estate for such fiscal year plus any amounts then being held on deposit for such Capital Expenditures for Hotel Properties or real estate, as the case may be, to the extent deposited in a prior fiscal year, and (y) all such Capital Expenditures are made in accordance with the terms of the respective Management Agreement for such Hotel Properties or real estate, as the case may be;

(iii) in addition to Capital Expenditures permitted by the other clauses of this Section 11.12(a), the U.S. Borrower and its Subsidiaries may make payments in respect of Capitalized Lease Obligations to the extent such Capitalized Lease Obligations are otherwise permitted under Section 11.02; and

(iv) in addition to the Capital Expenditures permitted by the other clauses of this Section 11.12(a), the U.S. Borrower and its Subsidiaries may make additional Capital Expenditures:

(1) for the purpose of expanding or constructing Improvements with respect to Hotel Properties; provided that such Capital Expenditures in any fiscal year shall not exceed 2.0% of Adjusted Total Assets determined at the time the Capital Expenditure is made, with the unused Roll Forward Amount from one fiscal year increasing the amount available in subsequent fiscal years (excluding any Capital Expenditures made during or after the fiscal year in which the Effective Date occurs for (A) the Newport Beach Marriott of up to $40 million in the aggregate, (B) the Orlando World Center Marriott of up to $60 million in the aggregate, (C) the Atlanta Marriott Marquis of up to $40 million in the aggregate and (D) the Amelia Island Ritz-Carlton of up to $11 million in the aggregate, each of which shall be permitted without being subject to the limitations of this clause (1)), and

(2) for the purpose of constructing new Hotel Properties, provided that the aggregate amount of such Capital Expenditures in any fiscal year shall not exceed 2.0% of Adjusted Total Assets determined at the time the Capital Expenditure is made, with the unused Roll Forward Amount from one fiscal year increasing the amount available in subsequent fiscal years.

Capital Expenditures made during a period when the Leverage Ratio is less than 6.00:1.00 shall, in the event that the Leverage Ratio subsequently exceeds 6.00:1.00, be counted against the baskets provided for in this Section 11.12(a) (as applicable) for purposes of determining basket availability only.

(b) The restrictions set forth in Section 11.12(a) shall not apply when the Leverage Ratio is less than 6.00:1.00.

11.13. Limitation on Payments of Certain Indebtedness; Modifications of Certain Indebtedness; Modifications of Organizational Documents; etc. The U.S. Borrower will not, and will not permit any of its Subsidiaries to:

(i) make (or give any notice in respect of) any voluntary or optional payment or prepayment on or redemption or acquisition for value of, including, in each case without limitation, by way of depositing with the trustee with respect thereto money or securities before due for the purpose of paying when due, the Senior Notes, any other pari passu debt, the QUIPs Debt, any Non-Recourse Indebtedness, any subordinated debt or any Limited Partner Notes other than any payment, prepayment, redemption or acquisition for value pursuant to this Section 11.13(i) which does not violate the provisions of Section 11.11(a)(vi) or materially adversely affect (a) the U.S. Borrower's ability to repay the Obligations when due or (b) in the U.S. Borrower's reasonable estimation, the ability to comply with the Applicable Covenants contained in Sections 9.01 through 9.03, inclusive, and Section 9.04(b); provided, that the provisions of this clause (i) shall not apply if at the time of taking the action otherwise prohibited by this clause (i) the Leverage Ratio is less than 6.00:1:00,

(ii) amend or modify, or permit the amendment or modification of, the QUIPs Debt, the Limited Partner Notes, any Non-Recourse Indebtedness, any subordinated debt, the Senior Notes or any other pari passu debt or any agreement (including, without limitation, any purchase agreement, indenture or loan agreement) related thereto, other than any amendment or modification thereto which would not violate this Agreement and so long as the same do not materially adversely affect (a) the U.S. Borrower's ability to repay the Obligations when due or (b) in the U.S. Borrower's reasonable estimation, the ability to comply with the Applicable Covenants contained in Sections 9.01 through 9.03, inclusive, and Section 9.04(b); provided, that the provisions of this clause (ii) shall not apply if at the time of taking the action otherwise prohibited by this clause (ii) the Leverage Ratio is less than 6.00:1:00, or

(iii) amend, modify or change its designation of trust, certificate of incorporation (including, without limitation, by the filing or modification of any certificate of designation), by-laws, certificate of partnership, partnership agreement or any equivalent organizational document, or any agreement entered into by it, with respect to its capital stock or other equity interests, or enter into any new agreement with respect to its capital stock or other equity interests, other than any amendments, modifications or changes pursuant to this Section 11.13(iii) or any such new agreements, in each case, which do not materially adversely affect (a) the U.S. Borrower's ability to repay the Obligations when due or (b) in the U.S. Borrower's reasonable estimation, the ability to

comply with the Applicable Covenants contained in Sections 9.01 through 9.03, inclusive, and Section 9.04(b).

Notwithstanding the foregoing, (a) the U.S. Borrower may not take any of the foregoing actions with respect to any subordinated debt if (I) a Default or Event of Default of the type specified in Section 12.01 exists in the payment of principal of or interest on the Revolving Loans or would result therefrom, (II) such action with respect to subordinated debt would violate the subordination provisions contained therein or (III) such action with respect to subordinated debt would constitute a Restricted Payment that is prohibited under the Governing Senior Note Indenture and (b) if a Specified Default or Event of Default shall have occurred or would occur as a result thereof, the U.S. Borrower may not prepay or repurchase or advance the maturity of the QUIPs Debt.

11.14. Business. The U.S. Borrower will not, and will not permit any of its Subsidiaries to, engage (directly or indirectly) in any business other than (i) the businesses in which the U.S. Borrower and its Subsidiaries are engaged on the Effective Date including the acquisition, ownership, leasing, operation, and sale of Hotel Properties and other real estate consistent with the quality of the U.S. Borrower's and its Subsidiaries' existing portfolio of Hotel Properties and the acquisition and conduct of Related Businesses, and (ii) non-real estate related businesses that the U.S. Borrower and its Subsidiaries may acquire or in which they may make Investments after the Effective Date to the extent permitted pursuant to Section 11.10(a)(ii) or Section 11.10(b).

11.15. Violation of Specified Indenture Covenants. The U.S. Borrower will not, and will not permit any of its Restricted Subsidiaries to, take any action that would result in a violation of Section 4.11 or Section 4.13 of the Governing Senior Note Indenture or Section 4.12 of the Amended Senior Note Indenture. At any time that the Leverage Ratio is less than 6.00:1.00, the U.S. Borrower will not, and will not permit any of its Subsidiaries to, take any action that would result in a violation of Section 4.11, Section 4.13 or Section 4.15 of the Governing Senior Note Indenture or Section 4.12 of the Amended Senior Note Indenture.

SECTION 12. Events of Default. Upon the occurrence of any of the following specified events (each an "Event of Default"):

12.01. Payments. Any Borrower shall (i) default in the payment when due of any principal of any Revolving Loan or any Revolving Note or the Face Amount of any Bankers' Acceptance, (ii) default in the payment when due of any Unpaid Drawing and such default shall continue unremedied for two or more Business Days after notice of such Unpaid Drawing to the U.S. Borrower has been given, or (iii) default, and such default shall continue unremedied for two or more Business Days, in the payment when due of any interest on any Revolving Loan, Revolving Note or Unpaid Drawing, or any Fees or any other amounts owing hereunder or under any other Credit Document; or

12.02. Representations, etc. Any representation, warranty or statement made or deemed made by any Credit Party herein or in any other Credit Document or in any certificate delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made or delivered; or

12.03. Covenants. Any Credit Party shall (i) default in the due performance or observance by it of any term, covenant or agreement contained in Section 9, 10.11(e)(i), or 11 (it being agreed that (A) the Credit Parties are not required to comply with the Revolving Facility A Financial Covenants when there is no Revolving A Credit Exposure or the Revolving Facility B Financial Covenants when there is no Revolving B Credit Exposure, and (B) in the event of a failure to comply with any Revolving Facility A Financial Covenant while such covenants are in effect, such default may be cured by eliminating the Revolving A Credit Exposure within 2 Business Days following the date the U.S. Borrower has knowledge thereof and, in any event, not later than the date on which a compliance certificate in respect of the applicable period is required to be delivered pursuant to Section 10.11(d)), or (ii) default in the due performance or observance by it of any other term, covenant or agreement contained in this Agreement (other than as provided in Section 12.01), the Subsidiaries Guaranty or the Pledge and Security Agreement and such default shall continue unremedied for a period of 30 days after written notice to the U.S. Borrower by the Administrative Agent or the Required Lenders; or

12.04. Default Under Other Agreements. (i) HMC or any of its Subsidiaries shall default in any payment of all or any portion of Indebtedness (other than the Obligations) beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created, (ii) any Indebtedness (other than the Obligations) of HMC or any of its Subsidiaries shall be declared to be due and payable, or required to be prepaid, as a result of a default or other similar event that would customarily constitute a default prior to the stated maturity thereof or (iii) an Event of Default under Section 6.1(d) of the Senior Note Indenture, provided that it shall not be a Default or an Event of Default under clause (i) or (ii) of this Section 12.04 unless the Indebtedness described in such clauses (i) and (ii) is (1) Non-Recourse Indebtedness in an aggregate principal amount in excess of 1% of the Adjusted Total Assets (measured as of the date of determination) or (2) other Indebtedness in aggregate principal amount in excess of $50,000,000 (or the Dollar Equivalent thereof);

12.05. Bankruptcy, etc. HMC or any of its Subsidiaries shall commence a voluntary case concerning itself under Title 11 of the United States Code entitled "Bankruptcy," as now or hereafter in effect, or any successor thereto (the "Bankruptcy Code"); or an involuntary case is commenced against HMC or any of its Subsidiaries and the petition is consented to or acquiesced in by HMC or any of its Subsidiaries, is not controverted within 10 days, or is not dismissed within 30 days, after commencement of the case; or a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of HMC or any of its Subsidiaries or HMC or any of its Subsidiaries commences any other proceeding under any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to HMC or any of its Subsidiaries, or there is commenced against HMC or any of its Subsidiaries any such proceeding which remains undismissed for a period of 30 days, or HMC or any of its Subsidiaries is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered and is not vacated or stayed within 30 days; or HMC or any of its Subsidiaries suffers any appointment of any custodian, receiver, receiver and manager, trustee, monitor or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 30 days; or HMC or any of its Subsidiaries makes a general assignment for the benefit of creditors; or any partnership and/or corporate action is taken by HMC or any of its Subsidiaries for the purpose of effecting any of the

foregoing (it being understood that the provisions of this Section 12.05 shall not apply to any Subsidiary of the U.S. Borrower who is a borrower (a) under Non-Recourse Indebtedness in aggregate principal amount of less than or equal to 1% of the Adjusted Total Assets or (b) under other Indebtedness equal to or less than $50,000,000 (or the Dollar Equivalent thereof) but the provisions of this Section 12.05 shall apply to each Significant Subsidiary and, at any time a Canadian Revolving Loan Borrower has any outstanding Canadian Revolving Loans, such Canadian Revolving Loan Borrower); or

12.06. ERISA. (a) Any Plan shall fail to satisfy the minimum funding standard required for any plan year or part thereof under Section 412 of the Code or Section 302 of ERISA or a waiver of such standard or extension of any amortization period is sought or granted under Section 412 of the Code or Section 303 or 304 of ERISA, a Reportable Event shall have occurred, a contributing sponsor (as defined in Section 4001(a)(13) of ERISA) of a Plan subject to Title IV of ERISA shall be subject to the advance reporting requirement of PBGC Regulation 4043.61 (without regard to subparagraph (b)(1) thereof) and an event described in subsection .62, .63, .64., .65, .66, .67 or .68 or PBGC Regulation Section 4043 shall be reasonably expected to occur with respect to such Plan within the following 30 days, any Plan shall have had or is likely to have a trustee appointed to administer such Plan, any Plan is, shall have been or is likely to be terminated or to be the subject of termination proceedings under ERISA, any Plan shall have an Unfunded Current Liability, a contribution required to be made by the U.S. Borrower, any Subsidiary of the U.S. Borrower or any ERISA Affiliate to a Plan or a Foreign Pension Plan has not been timely made, the U.S. Borrower or any of its Subsidiaries or ERISA Affiliates has incurred or is likely to incur a liability to or on account of a Plan under Section 409, 502(i), 502(l), 515, 4062, 4063, 4064, 4069, 4201, 4204 or 4212 of ERISA or Section 401(a)(29), 4971, 4975 or 4980 of the Code or on account of a group health plan (as defined in Section 607(1) of ERISA or Section 4980B(g)(2) of the Code) under Section 4980B of the Code, or the U.S. Borrower or any of its Subsidiaries or ERISA Affiliates has incurred or is likely to incur liabilities pursuant to one or more employee welfare benefit plans (as defined in Section 3(1) of ERISA) that provide benefits to retired employees or other former employees (other than as required by Section 601 of ERISA) or employee pension benefit plans (as defined in Section 3(2) of ERISA) or Foreign Pension Plans; (b) there shall result from any such event or events the imposition of a lien, the granting of a security interest, or a liability or a material risk of incurring a liability; and (c) such lien, security interest or liability, either individually and/or in the aggregate, in the reasonable opinion of the Required Banks, will have a Material Adverse Effect; or

12.07. Pledge and Security Agreement. At any time after the execution and delivery thereof, the Pledge and Security Agreement shall, unless otherwise permitted in this Agreement, cease to be in full force and effect, or shall cease to give the Collateral Agent for the benefit of the Secured Creditors the Liens, rights, powers and privileges purported to be created thereby (including, without limitation, a perfected security interest in, and Lien on, all of the Pledge and Security Agreement Collateral), in favor of the Collateral Agent for the benefit of the Secured Creditors, superior to and prior to the rights of all third Persons, and subject to no other Liens; or

12.08. Guaranty. The Subsidiaries Guaranty (or the Guaranty of the U.S. Borrower contained in this Agreement) shall, unless otherwise permitted in this Agreement, cease

to be in full force or effect (other than in accordance with its terms) as to any Guarantor, or any Guarantor or any Person acting by or on behalf of such Guarantor shall deny or disaffirm such Guarantor's obligations under the Guaranty; or

12.09. Judgments. One or more judgments or decrees shall be entered against HMC or any of its Subsidiaries involving in the aggregate for HMC and its Subsidiaries a liability (not paid or not fully covered by a reputable and solvent insurance company) and such judgments and decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed or bonded pending appeal for any period of 30 consecutive days, and the aggregate amount of all such judgments equals or exceeds 0.5% of Adjusted Total Assets; or

12.10. Change of Control. A Change of Control shall occur; or

12.11. REIT Status; Cash Proceeds Retained by HMC. HMC shall for any reason whether or not within the control of the U.S. Borrower (a) cease, for any reason, to be a real estate investment trust under Sections 856 through 860 of the Code, (b) following its receipt of any cash proceeds from any Asset Sale, incurrence of Indebtedness, insurance claim or condemnation award, sale or issuance of its equity, cash capital contributions or cash dividends received from the U.S. Borrower or a Permitted REIT Subsidiary, fail to (i) apply such cash proceeds to make a distribution to its shareholders, to pay its general corporate overhead expenses and other liabilities or to make an Investment in a Permitted REIT Subsidiary or (ii) to the extent not applied pursuant to the immediately preceding clause (i), contribute such cash proceeds as an equity contribution to the capital of the U.S. Borrower within 15 days thereafter; or (c) directly or indirectly (other than through the U.S. Borrower or its Subsidiaries) engage in any business activities, have significant assets or liabilities or undertake any activities of the type governed by Sections 11.01, 11.02, 11.10 and 11.12 except to the extent consistent, in the good faith judgment of the U.S. Borrower, with such activities on the Effective Date.

12.12. General Partner Status. HMC shall cease at any time to be the sole general partner of the Borrower.

then, and in any such event, and at any time thereafter, if any Event of Default shall then be continuing, the Administrative Agent, upon the written request of the Required Lenders, shall by written notice to the U.S. Borrower, take any or all of the following actions (provided that, if an Event of Default specified in Section 12.05 shall occur with respect to any Borrower, the result which would occur upon the giving of written notice by the Administrative Agent as specified in clauses (i), (ii), (iv) and (vii) below shall occur automatically without the giving of any such notice): (i) declare the Total Revolving Loan Commitment (including the Total Maximum Canadian Dollar Revolving Loan Sub-Commitment) terminated, whereupon all Commitments of each Lender shall forthwith terminate immediately, Total Revolving A Loan Capacity and Total Revolving B Loan Capacity shall immediately be reduced to zero and any Commitment Commission and any Canadian Commitment Commission shall forthwith become due and payable without any other notice of any kind; (ii) declare the principal of, the Face Amount of and any accrued interest in respect of all Revolving Loans and the Revolving Notes and all Obligations owing hereunder (including Unpaid Drawings) and thereunder to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Credit Party; (iii) terminate any Letter

of Credit which may be terminated in accordance with its terms; (iv) direct the relevant Borrowers to pay (and the relevant Borrowers agree that upon receipt of such notice, or upon the occurrence of an Event of Default specified in Section 12.05 with respect to any Borrower, they will pay) to the Collateral Agent at the appropriate Payment Office such additional amount of cash, to be held as security by the Collateral Agent for the respective Borrower's reimbursement obligations in respect of Letters of Credit then outstanding, as is equal to the aggregate Stated Amount of all Letters of Credit then outstanding for the account of such Borrower and which may be applied by the Administrative Agent to the repayment of Obligations in respect of Letters of Credit and which may not be withdrawn by the U.S. Borrower or any of its Subsidiaries so long as the Letter of Credit to which such cash collateral is attributable remains outstanding; (v) enforce, as Collateral Agent, all of the Liens and security interests created pursuant to the Security Documents; (vi) apply any cash collateral held pursuant to Section 5.02 to the repayment of the Obligations; and (vii) direct the appropriate Canadian Revolving Loan Borrowers to pay (and each Canadian Revolving Loan Borrower agrees that upon receipt of such notice, or upon the occurrence of an Event of Default specified in Section 12.05 with respect to any Borrower, it will pay) to the Administrative Agent (without duplication) all amounts required to be paid pursuant to clause (j) of Schedule III.

SECTION 13. The Agents.

13.01. Appointment. The Lenders hereby designate DBTCA as the Administrative Agent and as Collateral Agent to act as specified herein and in the other Credit Documents. The Lenders hereby designate (x) Bank of America, N.A. as Syndication Agent and (z) each of Citicorp North America Inc., Société Générale and Calyon New York Branch, as Co-Documentation Agents, in each case to act as specified herein and in the other Credit Documents. Each Lender hereby irrevocably authorizes, and each holder of any Revolving Note by the acceptance of such Revolving Note shall be deemed irrevocably to authorize, any Agent to take such action on its behalf under the provisions of this Agreement, the other Credit Documents and any other instruments and agreements referred to herein or therein and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of such Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto. Each Agent may perform any of its duties hereunder by or through its respective officers, directors, agents, employees or affiliates.

13.02. Nature of Duties. No Agent shall have any duties or responsibilities except those expressly set forth in this Agreement and in the other Credit Documents. No Agent nor any of its respective officers, directors, agents, employees or affiliates shall be liable for any action taken or omitted by it or them hereunder or under any other Credit Document or in connection herewith or therewith, unless caused by its or their gross negligence or willful misconduct. The duties of the Agents shall be mechanical and administrative in nature; no Agent shall have by reason of this Agreement or any other Credit Document a fiduciary relationship in respect of any Lender or the holder of any Revolving Note; and nothing in this Agreement or any other Credit Document, expressed or implied, is intended to or shall be so construed as to impose on any Agent any obligations in respect of this Agreement or any other Credit Document except as expressly set forth herein or therein.

13.03. Lack of Reliance on the Agents. Independently and without reliance upon any Agent (for purposes of this Section 13.03, the term "Agent" shall include all officers, directors, agents, employees and affiliates of the respective Agent), each Lender and the holder of each Revolving Note, to the extent it deems appropriate, has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of the Borrowers and their Subsidiaries in connection with the making and the continuance of the Revolving Loans and the taking or not taking of any action in connection herewith and (ii) its own appraisal of the creditworthiness of the Borrowers and their Subsidiaries and, except as expressly provided in this Agreement, no Agent shall have any duty or responsibility, either initially or on a continuing basis, to provide any Lender or the holder of any Revolving Note with any credit or other information with respect thereto, whether coming into its possession before the making of the Revolving Loans or at any time or times thereafter. No Agent shall be responsible to any Lender or the holder of any Revolving Note for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith or for the execution, effectiveness, genuineness, validity, enforceability, perfection, collectibility, priority or sufficiency of this Agreement or any other Credit Document or the financial condition of any Borrower or any of its Subsidiaries or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement or any other Credit Document, or the financial condition of any Borrower or any of its Subsidiaries or the existence or possible existence of any Default or Event of Default.

13.04. Certain Rights of the Agents. If any Agent shall request instructions from the Required Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any other Credit Document, such Agent shall be entitled to refrain from such act or taking such action unless and until such Agent shall have received instructions from the Required Lenders; and such Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, no Lender and no holder of any Revolving Note shall have any right of action whatsoever against any Agent as a result of such Agent acting or refraining from acting hereunder or under any other Credit Document in accordance with the instructions of the Required Lenders, or if required by Section 14.11, all of the Lenders.

13.05. Reliance. Each Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram, radiogram, order or other document or telephone message signed, sent or made by any Person that such Agent believed to be the proper Person, and, with respect to all legal matters pertaining to this Agreement and any other Credit Document and its duties hereunder and thereunder, upon advice of counsel selected by such Agent.

13.06. Indemnification. To the extent any Agent is not reimbursed and indemnified by the Credit Parties, the Lenders will reimburse and indemnify such Agent, its affiliates, and their respective officers, directors, agents and employees, pro rata based on their respective voting rights determined in the definition of "Required Lenders" (for this purpose, determined as if there were no Defaulting Lenders at such time), for and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, costs, expenses or disbursements of whatsoever kind or nature which may be imposed on, asserted against or incurred by such Agent in performing its respective duties hereunder or under any other Credit Document, in any way relating to or arising out of this Agreement or any other Credit Document;

provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent resulting from such Agent's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision).

13.07. Each Agent in its Individual Capacity. With respect to its obligation to make Revolving Loans, or issue or participate in Letters of Credit, under this Agreement, each Person serving as an Agent shall have the rights and powers specified herein for a "Lender" and may exercise the same rights and powers as though it were not performing the duties specified herein; and the term "Lenders," "Required Lenders," "holders of Revolving Notes" or any similar terms shall, unless the context clearly otherwise indicates, include each Person serving as an Agent in its individual capacity. Each Person serving as an Agent may accept deposits from, lend money to, and generally engage in any kind of banking, investment banking, trust or other business with any Credit Party or any Affiliate of any Credit Party as if it were not performing the duties specified herein, and may accept fees and other consideration from any Credit Party for services in connection with this Agreement and otherwise without having to account for the same to the Lenders.

13.08. Holders. The Administrative Agent may deem and treat the payee of any Revolving Note as the owner thereof for all purposes hereof unless and until a written notice of the assignment, transfer or endorsement thereof, as the case may be, shall have been filed with the Administrative Agent. Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is the holder of any Revolving Note shall be conclusive and binding on any subsequent holder, transferee, assignee or indorsee, as the case may be, of such Revolving Note or of any Revolving Note or Revolving Notes issued in exchange therefor.

13.09. Removal of or Resignation by the Agents. (a) Any Agent (including, without limitation, the Administrative Agent and the Collateral Agent) may resign from the performance of all its functions and duties hereunder and/or under the other Credit Documents at any time by giving 30 days' prior written notice to the Lenders and the Borrowers. Such resignation shall take effect upon the appointment of a successor Agent pursuant to clauses (b) and (c) below or as otherwise provided below; provided that the resignation by the Collateral Agent shall only be effective upon the appointment of a successor Collateral Agent.

(b) Upon any notice of resignation by, or the removal of, any Agent, the Required Lenders shall appoint a successor Agent hereunder who shall be a commercial bank or trust company reasonably acceptable to the U.S. Borrower.

(c) If a successor Agent shall not have been so appointed within such 30 day period, the resigning Agent, with the consent of the U.S. Borrower (which consent shall not be unreasonably withheld or delayed), shall then appoint a successor Agent who shall serve as Agent hereunder or thereunder until such time, if any, as the Required Lenders appoint a successor Agent as provided above.

(d) If no successor Agent has been appointed pursuant to clause (b) or (c) above by the 35th day after the date such notice of resignation was given by the resigning

Agent, the resigning Agent's resignation shall become effective and the Required Lenders shall thereafter perform all the duties of such Agent hereunder and/or under any other Credit Document until such time, if any, as the Required Lenders appoint a successor Agent as provided above.

(e) In addition, the Required Lenders shall have the right to remove the Administrative Agent and appoint a successor Administrative Agent who shall be a commercial bank or trust company reasonably acceptable to the U.S. Borrower in the event that the Administrative Agent has been grossly negligent or has willfully misconducted itself in performing its functions and duties under this Agreement or any other Credit Document (as determined by a court of competent jurisdiction in a final and non-appealable decision).

SECTION 14. Miscellaneous.

14.01. Payment of Expenses, etc. The U.S. Borrower agrees that it shall: (i) whether or not the transactions contemplated herein are consummated, pay all reasonable out-of-pocket costs and expenses of the Administrative Agent (including, without limitation, the reasonable fees and disbursements of insurance independent consultants and counsel retained by the Administrative Agent, including Willkie Farr & Gallagher LLP, Stikeman Elliott and Stewart McKelvey Stirling Scales) in connection with the preparation, execution, delivery and performance of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein, any amendment, waiver or consent relating hereto or thereto, of the Administrative Agent in connection with its syndication efforts with respect to this Agreement and, upon the occurrence and during the continuance of an Event of Default, the reasonable costs and expenses of each of the Lenders in connection with the enforcement of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein (including, without limitation, the reasonable fees and disbursements of counsel for the Administrative Agent and, following an Event of Default, for each of the Lenders) (it being understood that the provisions of this clause (i) does not include the normal administrative charges of the Administrative Agent in administering the Revolving Loans (which amounts are included in a separate letter with the Administrative Agent)); (ii) pay and hold each of the Lenders harmless from and against any and all present and future stamp, excise and other similar taxes with respect to the foregoing matters and save each of the Lenders harmless from and against any and all liabilities with respect to or resulting from any delay or omission (other than to the extent attributable to such Lender) to pay such taxes; and (iii) indemnify the Administrative Agent and each Lender, and each of their respective officers, directors, employees, representatives, affiliates and agents from and hold each of them harmless against any and all liabilities, obligations (including removal or remedial actions), losses, damages, penalties, claims, actions, judgments, suits, costs, expenses and disbursements (including reasonable attorneys' and consultants' fees and disbursements) incurred by, imposed on or assessed against any of them as a result of, or arising out of, or in any way related to, or by reason of, (a) any investigation, litigation or other proceeding (whether or not the Administrative Agent or any Lender is a party thereto) related to the entering into and/or performance of this Agreement or any other Credit Document or the use or proposed use of the proceeds of any Revolving Loans hereunder or the consummation of any transactions contemplated herein or in any other Credit Document or the exercise of any of their rights or remedies provided herein or in the other Credit Documents, or (b) the actual or alleged presence of Hazardous Materials in the air, surface water or groundwater

or on the surface or subsurface of any Real Property owned, leased or at any time operated by the U.S. Borrower or any of its Subsidiaries, the Release, generation, storage, transportation, handling or disposal of Hazardous Materials at any location, whether or not owned, leased or operated by the U.S. Borrower or any of its Subsidiaries, the non-compliance of any Real Property with foreign, federal, state and local laws, regulations, and ordinances (including applicable permits thereunder) applicable to any Real Property, or any Environmental Claim asserted against the U.S. Borrower, any of its Subsidiaries or any Real Property owned, leased or at any time operated by the U.S. Borrower or any of its Subsidiaries, including, in each case, without limitation, the reasonable fees and disbursements of counsel and other consultants incurred in connection with any such investigation, litigation or other proceeding (but excluding any losses, liabilities, claims, damages or expenses to the extent incurred by reason of the gross negligence or willful misconduct of the Person to be indemnified (as determined by a court of competent jurisdiction in a final and non-appealable decision)). To the extent that the undertaking to indemnify, pay or hold harmless the Administrative Agent or any Lender set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the U.S. Borrower shall make the maximum contribution to the payment and satisfaction of each of the indemnified liabilities which is permissible under applicable law. Notwithstanding any provision of this Agreement to the contrary, no Lender shall have any liability to the Credit Parties for any punitive damages.

14.02. Notices. Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including telegraphic, telex, telecopier or cable communication) and mailed, telegraphed, telexed, telecopied, cabled or delivered: if to any Borrower, at the U.S. Borrower's address specified opposite its signature below; if to any Lender, at its address specified opposite its name on Schedule II; and if to the Administrative Agent, at the Notice Office; or, as to any Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties hereto and, as to each Lender, at such other address as shall be designated by such Lender in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by overnight courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Administrative Agent and the Borrowers shall not be effective until received by the Administrative Agent or the U.S. Borrower, as the case may be (or when the addressee refuses to accept delivery).

14.03. Benefit of Agreement. (a) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; provided, however, that no Borrower may assign or transfer any of its rights, obligations or interest hereunder or under any other Credit Document without the prior written consent of the Lenders (and any attempted such assignment without such consent shall be null and void) and, provided further, that, although any Lender may grant participations in its rights hereunder, such Lender shall remain a "Lender" for all purposes hereunder and the participant shall not constitute a "Lender" hereunder and no Lender may transfer or assign any portion of its Commitments hereunder except as provided in Section 14.03(b) and 14.03(d), provided further, that no Lender shall transfer or grant any participation under which the participant shall have rights to approve any amendment to or waiver of this Agreement or any other Credit Document except to the extent

such amendment or waiver would (i) extend the final scheduled maturity of any Revolving Loan or Revolving Note in which such participant is participating, or reduce the rate or extend the time of payment of interest thereon or Fees (except in connection with a waiver of applicability of any post-default increase in interest rates) or reduce the principal amount thereof (it being understood that any amendment or modification to the financial definitions in this Agreement or to Section 14.06(a) shall not constitute a reduction in any rate of interest or Fees for purposes of this clause (i), so long as the primary purpose of the respective amendments or modifications to the financial definitions or to Section 14.06(a) was not to reduce the interest or Fees payable hereunder), or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Total Revolving Loan Commitment shall not constitute a change in the terms of such participation, and that an increase in any Commitment or Revolving Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (ii) consent to the assignment or transfer by the Borrower or any other Credit Party of any of its rights and obligations under this Agreement or any other Credit Document or (iii) release all or substantially all of the Pledge and Security Agreement Collateral under the Pledge and Security Agreement (except as expressly provided in the Credit Documents) supporting the Revolving Loans hereunder in which such participant is participating. In the case of any such participation, the participant shall not have any rights under this Agreement or any of the other Credit Documents (the participant's rights against such Lender in respect of such participation to be those set forth in the agreement executed by such Lender in favor of the participant relating thereto) and all amounts payable by the Borrower hereunder shall be determined as if such Lender had not sold such participation.

(b) Notwithstanding the foregoing, any Lender (or any Lender together with one or more other Lenders) may (x) assign all or a portion of its Revolving Loan Commitment (and related outstanding Obligations hereunder) to (i) its parent company and/or any affiliate of such Lender which is at least 50% owned by such Lender or its parent company or to one or more Lenders or (ii) in the case of any Lender that is a fund that invests in loans, any other fund that invests in loans and is managed or advised by the same investment advisor of such Lender or by an Affiliate of such investment advisor, (y) assign all or a portion of the assigning Lender's Revolving Loan Commitment (and related outstanding Obligations thereunder) to an Eligible Transferee, and, in the case of a partial assignment of such Revolving Loan Commitment, such assignment shall be in a minimum amount of $5,000,000 or such lesser amount as is acceptable to the Administrative Agent (and the assignor shall maintain a minimum amount of $5,000,000 for its own account unless the assignor shall assign its entire interest), and all assignees shall become a party to this Agreement as a Lender by execution of an Assignment and Assumption Agreement, or (z) if such Lender is a Canadian Lender, assign all or a portion of the such Canadian Lender's Maximum Canadian Dollar Revolving Loan Sub-Commitment and related Canadian Dollar Revolving Loan Sub-Commitment (and related outstanding Obligations thereunder) to an Eligible Transferee, and, in the case of a partial assignment of such Maximum Canadian Dollar Revolving Loan Sub-Commitment, such assignment shall be in a minimum amount of $5,000,000 or such lesser amount as is acceptable to the Administrative Agent (and the assignor shall maintain a minimum amount of $5,000,000 for its own account unless the assignor shall assign its entire interest), and all assignees shall become a party to this Agreement as a Canadian Lender by execution of an Assignment and Assumption Agreement, provided that (i) at such time Schedule I-A or Schedule I-B, as the case may be, shall be deemed modified to

reflect the Revolving Loan Commitments and the Maximum Canadian Dollar Revolving Loan Sub-Commitments of such new Lender and of the existing Lenders, as applicable, (ii) upon surrender of the old Revolving Notes, if any, new Revolving Notes will be issued to such new Lender and to the assigning Lender (to the extent requested by such Lenders), such new Revolving Notes to be in conformity with the requirements of Section 2.06 (with appropriate modifications) to the extent needed to reflect the revised Revolving Loan Commitments and Maximum Canadian Dollar Revolving Loan Sub-Commitments, as applicable, (iii) the consent of the Administrative Agent and, if the Person serving as the Administrative Agent is not a Canadian Lender, any Canadian Lender whose Maximum Canadian Dollar Revolving Loan Sub-Commitment is not exceeded by any other Canadian Lender shall be required in connection with any such assignment pursuant to clause (y) or clause (z) above (which consents shall not be unreasonably withheld), (iv) the Administrative Agent shall receive at the time of each such assignment, from the assigning or assignee Lender, the payment of a non-refundable assignment fee of $3,500, (v) with respect to clause (z) only, such Eligible Transferee shall be a resident in Canada for the purpose of the *Income Tax Act* (Canada) or an authorized foreign bank which at all times holds all of its interest in any Canadian Obligations in the course of its Canadian banking business for purposes of subsection 212(13.3) of the *Income Tax Act* (Canada), or otherwise able to establish to the satisfaction of the Canadian Revolving Loan Borrowers and the Administrative Agent based on applicable law in effect at the time of such assignment that such Eligible Transferee is not subject to deduction or withholding of Canadian Taxes with respect to any payments to such Eligible Transferee of interest, fees, commissions, or any other amount payable by any Canadian Revolving Loan Borrower under the Credit Documents, and (vi) with respect to clause (z) only, no such assignment shall be permitted unless, upon the effectiveness of such assignment, the Revolving Loan Commitment of such Eligible Transferee or its Affiliate equals or exceeds the Maximum Canadian Dollar Revolving Loan Sub-Commitment of such Eligible Transferee, and, provided further, that such transfer or assignment will not be effective until recorded by the Administrative Agent on the Register pursuant to Section 14.15. The Administrative Agent will promptly give the Borrower notice of any assignment to an Eligible Transferee although the failure to give any such notice shall not affect such assignment or result in any liability by the Administrative Agent. To the extent of any assignment pursuant to this Section 14.03(b), the assigning Lender shall be relieved of its obligations hereunder with respect to its assigned Revolving Loan Commitment or Maximum Canadian Dollar Revolving Loan Sub-Commitment and corresponding Canadian Dollar Revolving Loan Sub-Commitment, as the case may be. At the time of each assignment pursuant to this Section 14.03(b) to a Person which is not already a Lender hereunder and which is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) for Federal income tax purposes, the respective assignee Lender shall provide to the Borrower and the Administrative Agent the appropriate Internal Revenue Service Forms (and, if applicable a Section 5.04(b)(ii) Certificate) described in Section 5.04(b). To the extent that an assignment of all or any portion of a Lender's Revolving Loan Commitments and related outstanding Obligations or this Section 14.03(b) would, at the time of such assignment, result in increased costs or Taxes under Section 2.11, 2.12 or 5.04 from those being charged by the respective assigning Lender prior to such assignment, then the Borrower shall not be obligated to pay or reimburse such increased costs (although the Borrower shall be obligated to pay any other increased costs of the type described above resulting from changes after the date of the respective assignment).

(c) Nothing in this Agreement shall prevent or prohibit any Lender from pledging its Revolving Loans and Revolving Notes hereunder to a Federal Reserve Bank in support of borrowings made by such Lender from such Federal Reserve Bank and, with the consent of the Administrative Agent, any Lender which is a fund may pledge all or any portion of its Revolving Loans and Revolving Notes to its trustee in support of its obligations to its trustee. No pledge pursuant to this clause (c) shall release the transferor Lender from any of its obligations hereunder.

(d) So long as no Event of Default has occurred and is continuing, no RL Lender that at the applicable time has, or that has an Affiliate that has, a Maximum Canadian Dollar Revolving Loan Sub-Commitment may assign all or any portion of its Revolving Loan Commitment unless the assignment includes an assignment of all or the applicable portion of both the Maximum Canadian Dollar Revolving Loan Sub-Commitment and the Canadian Dollar Revolving Loan Sub-Commitment of such Revolving Loan Commitment to the applicable Eligible Transferee or an Affiliate of such Eligible Transferee (the "Assignee Canadian Lender") and the Assignee Canadian Lender is a resident in Canada for the purpose of the *Income Tax Act* (Canada) or an authorized foreign bank which at all times holds all of its interest in any Canadian Obligations in the course of its Canadian banking business for purposes of subsection 212(13.3) of the *Income Tax Act* (Canada), or is otherwise able to establish to the satisfaction of the Canadian Revolving Loan Borrowers and the Administrative Agent based on applicable law in effect at the time of such assignment that such Assignee Canadian Lender is not subject to deduction or withholding of Canadian Taxes with respect to any payments to such Assignee Canadian Lender of interest, fees, commissions, or any other amount payable by any Canadian Revolving Loan Borrower under the Credit Documents. Notwithstanding the foregoing provisions of this Section 14.03(d), an RL Lender that at the applicable time has, or that has an Affiliate that has, a Maximum Canadian Dollar Revolving Loan Sub-Commitment may assign such portion, if any, of its Revolving Loan Commitment in excess of the Maximum Canadian Dollar Revolving Loan Sub-Commitment, subject to the requirements of Section 14.03(b).

14.04. No Waiver; Remedies Cumulative. No failure or delay on the part of the Administrative Agent or any Lender or any holder of any Revolving Note in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between the Borrower or any other Credit Party and the Administrative Agent or any Lender or the holder of any Revolving Note shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies herein or in any other Credit Document expressly provided are cumulative and not exclusive of any rights, powers or remedies which the Administrative Agent or any Lender or the holder of any Revolving Note would otherwise have. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Administrative Agent or any Lender or the holder of any Revolving Note to any other or further action in any circumstances without notice or demand.

14.05. Payments Pro Rata. (a) Except as otherwise provided in this Agreement, the Administrative Agent agrees that promptly after its receipt of each payment from or on behalf of the Borrower in respect of any Obligations hereunder, it shall distribute such payment to the Lenders (other than any Lender that has consented in writing to waive its pro rata share of any such payment) pro rata based upon their respective shares, if any, of the Obligations with respect to which such payment was received.

(b) Each of the Lenders agrees that, if it should receive any amount hereunder (whether by voluntary payment, by realization upon security, by the exercise of the right of setoff or banker's lien, by counterclaim or cross action, by the enforcement of any right under the Credit Documents, or otherwise (except pursuant to Section 2.14 or 14.03)), which is applicable to the payment of the principal of, or interest on, the Revolving Loans or Commitment Commission or Canadian Commitment Commission, of a sum which with respect to the related sum or sums received by other Lenders is in a greater proportion than the total of such Obligation then owed and due such Lender bears to the total of such Obligation then owed and due all of the Lenders immediately prior to such receipt, then such Lender receiving such excess payment shall purchase for cash without recourse or warranty from the other Lenders an interest in the Obligations of the respective Credit Party to such Lenders in such amount as shall result in a proportional participation by all the Lenders in such amount; provided that if all or any portion of such excess amount is thereafter recovered from such Lender, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

(c) Notwithstanding anything to the contrary contained herein, the provisions of the preceding Sections 14.05(a) and (b) shall be subject to the express provisions of this Agreement which require, or permit, differing payments to be made to Non-Defaulting Lenders as opposed to Defaulting Lenders.

14.06. Calculations; Computations. (a) The financial statements to be furnished to the Lenders pursuant hereto shall be made and prepared in accordance with GAAP, consistently applied throughout the periods involved (except as set forth in the notes thereto or as otherwise disclosed in writing by the U.S. Borrower to the Lenders).

(b) Except as otherwise specified in Section 11, for purposes of computations of baskets included in Section 11 (including any Roll Forward Amount), actions during the fiscal year ending December 31, 2004, including prior to the Effective Date, shall be included.

(c) All computations of interest, Commitment Commission, Canadian Commitment Commission and Fees hereunder shall be made on the basis of a year of 360 days (or 365 or 366 days, as the case may be, in the case of interest on Base Rate Loans and Canadian Prime Rate Loans or 365 days in the case of Acceptance Fees) for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, Commitment Commission, Canadian Commitment Commission or Fees are payable.

(d) For purposes of the Interest Act (Canada), (i) whenever any interest or fee under this Agreement is calculated using a rate based on a year of 360 days or 365 days, as the case may be, the rate determined pursuant to such calculation, when expressed as an

annual rate, is equivalent to (x) the applicable rate based on a year of 360 days or 365 days, as the case may be, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 360 or 365, as the case may be; (ii) the principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement; and (iii) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

14.07. GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL. (a) THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE WHICH ARE LOCATED IN THE CITY OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE BORROWERS HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. EACH OF THE BORROWERS HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK JURISDICTION OVER SUCH CREDIT PARTY, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN ANY OF THE AFORESAID COURTS, THAT ANY SUCH COURT LACKS JURISDICTION OVER SUCH CREDIT PARTY. EACH OF THE BORROWERS FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE U.S. BORROWER (WHICH, IN THE CASE OF EACH CANADIAN REVOLVING LOAN BORROWER IS HEREBY IRREVOCABLY APPOINTED AS ITS AGENT TO ACCEPT SUCH SERVICE OF PROCESS) AT THE ADDRESS OF THE U.S. BORROWER SET FORTH OPPOSITE ITS SIGNATURE BELOW, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH OF THE BORROWERS HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT, ANY BANK OR THE HOLDER OF ANY NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE BORROWERS IN ANY OTHER JURISDICTION. THE SUBMISSION TO JURISDICTION CONTAINED IN THIS SECTION 14.07(a) IS A SUBMISSION TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS.

(b) EACH OF THE BORROWERS HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE

LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

14.08. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate 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. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Administrative Agent.

14.09. Effectiveness. This Agreement shall become effective on the date (the "Effective Date") on which the Borrowers, the Administrative Agent and each of the Lenders set forth on Schedule I shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered the same to the Administrative Agent at the Notice Office or, in the case of the Lenders, shall have given to the Administrative Agent telephonic (confirmed in writing) or written notice at such office that the same has been signed and mailed to it.

14.10. Headings Descriptive. The headings of the several sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

14.11. Amendment or Waiver; etc. (a) Except as provided in clause (c) of this Section 14.11, neither this Agreement nor any other Credit Document nor any terms hereof or thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing signed by the respective Credit Parties party thereto and the Required Lenders (except that additional parties may be added to, and Subsidiaries of the Borrowers may be released from, the Subsidiaries Guaranty and the Pledge and Security Agreement in accordance with the provisions hereof and thereof, without the consent of the other Credit Parties party thereto or the Required Lenders) provided that:

(1) no such change, waiver, discharge or termination shall, without the consent of each Lender having Obligations being directly affected thereby (other than a Defaulting Lender) (i) extend the expiration date of any Commitment beyond the Maturity Date, the final scheduled maturity of any Revolving Loan or Revolving Note or extend the stated expiration date of any Letter of Credit beyond the Maturity Date, or reduce the rate or extend the time of payment of interest on any Revolving Loan or any Fees, or reduce the principal amount thereof (except to the extent

repaid in cash) (it being understood that any amendment or modification to the financial definitions in this Agreement or to Section 14.06(a) shall not constitute a reduction in any rate of interest or Fees for purposes of this clause (i), so long as the primary purpose of the respective amendments or modifications to the financial definitions or to Section 14.06(a) was not to reduce the interest or Fees payable hereunder), (ii) release all or substantially all of the Pledge and Security Agreement Collateral or the Guarantors from the Subsidiaries Guaranty (except (in either case) as expressly provided in the Credit Documents) or the U.S. Borrower from its guarantee contained in Section 16, (iii) amend, modify or waive any provision of this Section 14.11 (except for technical amendments with respect to additional extensions of credit pursuant to this Agreement which afford the protections to such additional extensions of credit of the type provided to the Revolving Loan Commitments on the Effective Date), (iv) reduce the percentage specified in the definition of Required Lenders (it being understood that, (x) the transactions contemplated by the Additional Revolving Loan Commitment may be consummated as expressly provided in this Agreement and (y) with the consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of the Required Lenders on substantially the same basis as the extensions of Revolving Loan Commitments are included on the Effective Date) or amend, modify or waive any provision of any Credit Document that, by its terms, requires the consent, approval or satisfaction of all of the Lenders or (v) consent to the assignment or transfer by the U.S. Borrower or any other Credit Party of any of its rights and obligations under this Agreement or any other Credit Document;

(2) no such change, waiver, discharge or termination shall (i) increase the Commitments (or sub-commitments (other than in accordance with Section 2.18)) of any Lender over the amount thereof then in effect without the consent of such Lender (it being understood that waivers or modifications of conditions precedent, covenants, Defaults or Events of Default or of a mandatory reduction in the Total Revolving Loan Commitment shall not constitute an increase of the Commitment (or sub-commitment) of any Lender, and that an increase in the available portion of the Commitment of any Lender shall not constitute an increase in the Commitment (or sub-commitment) of such Lender), (ii) without the consent of the Issuing Bank, amend, modify or waive any provision of Section 3 or alter its rights or obligations with respect to Letters of Credit, (iii) without the consent of the Administrative Agent, amend, modify or waive any provision of Section 13 as the same applies to the Administrative Agent or any other provision as the same relates to the rights or obligations of the Administrative Agent; (iv) without the consent of the Collateral Agent, amend, modify or waive any provision relating to the rights or obligations of the Collateral Agent; or (v) modify Section 2.15, 2.17 or 2.18, Schedule III or any other provision of this Agreement relating solely to Canadian Revolving Loans without the consent of the Majority Canadian Lenders.

(b) If, in connection with any proposed change, waiver, discharge or termination with respect to any of the provisions of this Agreement as contemplated by clause (1) of Section 14.11(a), the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then the Borrower shall have the right, so long as no Default or Event of Default has occurred and is continuing and

all non-consenting Lenders whose individual consent is required are treated as described in either clause (A) or (B) of this Section 14.11(b), to either (A) replace each such non-consenting Lender or Lenders with one or more Replacement Lenders pursuant to Section 2.14 so long as at the time of such replacement, each such Replacement Lender consents to the proposed change, waiver, discharge or termination or (B) terminate such non-consenting Lender's Revolving Loan Commitment and repay such non-consenting Lender's outstanding Revolving Loans in accordance with Sections 4.02 and/or 5.01, provided that, unless the Revolving Loan Commitments are terminated, and Revolving Loans repaid, pursuant to the preceding clause (B) are immediately replaced in full at such time through the addition of new Lenders or the increase of the Revolving Loan Commitments and/or outstanding Revolving Loans of existing Lenders (who in each case must specifically consent thereto), then in the case of any action pursuant to the preceding clause (B) the Required Lenders (determined before giving effect to the proposed action) shall specifically consent thereto, provided further, that in any event the Borrower shall not have the right to replace a Lender, terminate its Revolving Loan Commitment or repay its Revolving Loans solely as a result of the exercise of such Lender's rights (and the withholding of any required consent by such Lender) pursuant to clause (2) of Section 14.11(a).

(c) Notwithstanding the foregoing, the Administrative Agent and the Borrowers (without the consent of any other Lender) may enter into amendments of any Credit Document solely with respect to corrections of formal defects not having any economic impact.

14.12. Survival. All indemnities set forth herein including, without limitation, in Sections 2.11, 2.12, 3.06, 5.04, 14.01, 14.05 and 14.18 shall survive the execution, delivery and termination of this Agreement and the Revolving Notes and the making and repayment of the Revolving Loans.

14.13. Domicile of Revolving Loans. Each Lender may transfer and carry its Revolving Loans at, to or for the account of any office, Subsidiary or Affiliate of such Lender. Notwithstanding anything to the contrary contained herein, to the extent that a transfer of Revolving Loans pursuant to this Section 14.13 would, at the time of such transfer, result in increased costs under Section 2.11, 2.12 or 5.04 from those being charged by the respective Lender prior to such transfer, then the Borrower shall not be obligated to pay such increased costs (although the Borrower shall be obligated to pay any other increased costs or Taxes of the type described above resulting from changes after the date of the respective transfer).

14.14. Confidentiality. (a) Subject to the provisions of clause (b) of this Section 14.14, each Lender agrees that it will use its reasonable efforts not to disclose without the prior consent of the U.S. Borrower (other than to its employees, auditors, advisors or counsel or to another Lender if such Lender or such Lender's holding or parent company in its reasonable good faith discretion determines that any such party should have access to such information, provided such Persons shall be subject to the provisions of this Section 14.14 to the same extent as such Lender) any information with respect to any Credit Party or any of its Subsidiaries which has been, is now or is in the future furnished pursuant to this Agreement or any other Credit Document and which is designated by any Credit Party to the Lenders in writing as confidential, provided that any Lender may disclose any such information (a) as has become generally available to the public, (b) as may be required or appropriate in any report, statement or testimony submitted to any municipal, state or Federal regulatory body having or claiming to have

jurisdiction over such Lender or to the Federal Reserve Board or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (c) as may be required or appropriate in respect of any summons or subpoena or in connection with any litigation, (d) in order to comply with any law, order, regulation or ruling applicable to such Lender, (e) to the Administrative Agent or the Collateral Agent, (f) to any direct or indirect contractual counterparty in swap agreements or such contractual counterparty's professional advisor (so long as such contractual counterparty or professional advisor to such contractual counterparty agrees to be bound by the provisions of this Section 14.14(a)), or to the NAIC or any similar organization or any nationally recognized rating agency that requires access to information about a Lender and (g) to any prospective or actual transferee or participant in connection with any contemplated transfer or participation of any of the Revolving Notes, Commitments or Revolving Loans or any interest therein by such Lender, provided that such prospective transferee agrees to be subject to the provisions of this Section 14.14(a).

(b) The Borrowers hereby acknowledge and agree that each Lender may share with any of its affiliates any information related to Credit Parties or any of their respective Subsidiaries (including, without limitation, any nonpublic customer information regarding the creditworthiness of the Credit Parties and their respective Subsidiaries, provided such Persons shall be subject to the provisions of this Section 14.14 to the same extent as such Lender), it being understood that for purposes of this Section 14.14(b), the term "affiliate" shall mean any direct or indirect holding company of a Lender as well as any direct or indirect Subsidiary of such holding company.

14.15. Register. Each Borrower hereby designates the Administrative Agent to serve as the Borrower's agent, solely for purposes of this Section 14.15, to maintain a register (the "Register") on which it will record the Commitments from time to time of each of the Lenders, the Revolving Loans made by each of the Lenders and each repayment in respect of the principal amount of the Revolving Loans of each Lender. Failure to make any such recordation, or any error in such recordation, shall not affect any Borrower's obligations in respect of such Revolving Loans. With respect to any Lender, the transfer of the Commitments of such Lender and the rights to the principal of, and interest on, any Revolving Loan made pursuant to such Commitments shall not be effective until such transfer is recorded on the Register maintained by the Administrative Agent with respect to ownership of such Commitments and Revolving Loans and prior to such recordation all amounts owing to the transferor with respect to such Commitments and Revolving Loans shall remain owing to the transferor. The registration of assignment or transfer of all or part of any Commitments and Revolving Loans shall be recorded by the Administrative Agent on the Register only upon the acceptance by the Administrative Agent of a properly executed and delivered Assignment and Assumption Agreement pursuant to Section 14.03(b). Coincident with the delivery of such an Assignment and Assumption Agreement to the Administrative Agent for acceptance and registration of assignment or transfer of all or part of a Revolving Loan, or as soon thereafter as practicable, the assigning or transferor Lender shall surrender the Revolving Note evidencing such Revolving Loan, and thereupon one or more new Revolving Notes in the same aggregate principal amount shall be issued to the assigning or transferor Lender and/or the new Lender. The U.S. Borrower agrees to indemnify the Administrative Agent from and against any and all losses, claims, damages and liabilities of whatsoever nature which may be imposed on, asserted against or incurred by the Administrative Agent in performing its duties under this Section 14.15, provided that the U.S. Borrower shall

have no obligation to indemnify the Administrative Agent for any loss, claim, damage, liability or expense which resulted solely from the gross negligence or willful misconduct of the Administrative Agent.

14.16. Commercial Loan Transactions. Each of the Lenders acknowledges that the making of its Revolving Loans and the issuance by the Borrower of a Revolving Note to such Lender are in the nature of a commercial loan transaction, and that no such Lender shall assert that such actions are a securities transaction regulated under the Securities Exchange Act, the Securities Act or any other Federal or state securities laws, it being understood that nothing in this Section 14.16 shall limit the rights of the Lenders pursuant to Section 14.01 or 14.03.

14.17. Limitations on Recourse.

(a) Notwithstanding anything to the contrary set forth in this Agreement or in any of the other Credit Documents, but subject to the last sentence of this Section 14.17(a) and clause (b) of this Section 14.17, the U.S. Borrower's Obligations hereunder and under the other Credit Documents shall be limited recourse obligations of the U.S. Borrower, enforceable against the U.S. Borrower (and its assets) only and not against any constituent partner in the U.S. Borrower. The foregoing provisions of this Section 14.17 shall not impair the liability of the Guarantors under the Subsidiaries Guaranty, the liability of the U.S. Borrower under its guarantee contained in Section 16 or the liens and security interests created by the Pledge and Security Agreement which were granted as security for the Obligations of the Borrowers and the Guaranteed Obligations (as defined in the Subsidiaries Guaranty) of the Guarantors.

(b) Notwithstanding the foregoing provisions of clause (a) of this Section 14.17, the Administrative Agent and the Lenders shall have recourse to HMC (in its capacity as the general partner in the U.S. Borrower) to the extent (but only to the extent) of any loss, cost, damage, expense or liability incurred by the Administrative Agent or any of the Lenders by reason of (i) any unlawful act on the part of HMC, or (ii) any misappropriation of funds by HMC in contravention of the provisions of the Credit Documents.

14.18. Judgment Currency. (a) The Credit Parties' obligations hereunder and under the other Credit Documents to make payments in the respective Applicable Currency (the "Obligation Currency") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Administrative Agent, the Collateral Agent or the respective Lender of the full amount of the Obligation Currency expressed to be payable to the Administrative Agent, the Collateral Agent or such Lender under this Agreement or the other Credit Documents. If for the purpose of obtaining or enforcing judgment against any Credit Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the "Judgment Currency") an amount due in the Obligation Currency, the conversion shall be made, at the Canadian Dollar Equivalent or the Dollar Equivalent thereof, as the case may be, the rate of exchange determined, in each case, as of the day immediately preceding the day on which the judgment is given (such Business Day being hereinafter referred to as the "Judgment Currency Conversion Date").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, the Borrowers covenant and agree to pay, or cause to be paid, such additional amounts, if any (but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate or exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining the Canadian Dollar Equivalent or the Dollar Equivalent, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

14.19. Right of Setoff. In addition to any rights now or hereafter granted under applicable law or otherwise, and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default, each Lender is hereby authorized at any time or from time to time, without presentment, demand, protest or other notice of any kind to any Credit Party or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other Indebtedness at any time held or owing by such Lender (including, without limitation, by branches and agencies of such Lender wherever located or by any Person controlling such Lender) to or for the credit or the account of any Credit Party against and on account of the Obligations and liabilities of such Credit Party to such Lender under this Agreement or under any of the other Credit Documents, including, without limitation, all interests in Obligations purchased by such Lender pursuant to Section 14.05(b), and all other claims by such Lender against such Credit Party of any nature or description arising out of or connected with this Agreement or any other Credit Document, irrespective of whether or not such Lender shall have made any demand hereunder and although said Obligations, liabilities or claims, or any of them, shall be contingent or unmatured.

14.20. Termination of Liens. Upon (i) the final repayment in full of the Obligations (including the repayment of all Unpaid Drawings and the expiration or termination or cancellation of all outstanding Letters of Credit, other than Letters of Credit which have been cash collateralized pursuant to the terms of this Agreement) and termination of all Commitments hereunder, or (ii) upon the occurrence of the Collateral Release Date pursuant to Section 10.15(d) at the request of the U.S. Borrower, the Administrative Agent shall (and the Lenders hereby authorize the Administrative Agent to) execute and deliver (or authorize the U.S. Borrower to file) upon the written request and at the expense of the U.S. Borrower such releases (including Uniform Commercial Code termination statements) of Collateral as may be requested by the U.S. Borrower. In the event the Obligations shall have been repaid in full, the Commitments hereunder shall have been terminated and the U.S. Borrower shall have provided cash collateral as provided herein for all outstanding Letters of Credit, the U.S. Borrower shall cease to be bound by the provisions of Sections 9, 10 and 11.

14.21. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and

enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

14.22. USA Patriot Act Notice. Each Lender and Agent (for itself and not on behalf of any Lender) hereby notifies each Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each Borrower, which information includes the name and address of each Borrower and other information that will allow such Lender or Agent, as applicable, to identify each Borrower in accordance with the Act.

SECTION 15. Nature of Borrowers' Obligations.

15.01. Nature of Obligations. Notwithstanding anything to the contrary contained elsewhere in this Agreement (other than as contemplated by Section 10.15(e)), it is understood and agreed by the various parties to this Agreement that all Obligations to repay principal of (including, without limitation, the Face Amount of Bankers' Acceptance Loans), interest on, and all other amounts with respect to, outstanding Canadian Revolving Loans extended to a Canadian Revolving Loan Borrower (including, without limitation, all fees, indemnities, taxes and other Obligations in connection therewith or in connection with the related Revolving Loan Commitments required to be paid hereunder) shall constitute the obligations of such Canadian Revolving Loan Borrower and not any other Canadian Revolving Loan Borrower and (ii) all Obligations to repay principal of (including, without limitation the Face Amount of Bankers' Acceptance Loans), interest on, and all other amounts with respect to, any outstanding Canadian Revolving Loan (including, without limitation, all fees, indemnities, taxes and other Obligations in connection therewith) shall constitute the direct obligations of the respective Canadian Revolving Loan Borrower. In addition to the direct obligations of the respective Borrowers with respect to Obligations as described above, all such Obligations shall be guaranteed pursuant to, and in accordance with the terms of, the Guaranty.

SECTION 16. U.S. Borrower Guaranty.

16.01. The Guaranty. In order to induce the Administrative Agent and the Lenders to enter into this Agreement and to extend credit hereunder and in recognition of the direct benefits to be received by the U.S. Borrower from the proceeds of the Canadian Revolving Loans, the U.S. Borrower hereby agrees with the Lenders as follows: the U.S. Borrower hereby unconditionally, irrevocably and absolutely guarantees as primary obligor and not merely as surety the full and prompt payment when due, whether upon maturity, by acceleration or otherwise, of any and all Obligations of the Canadian Revolving Loan Borrowers under this Agreement and the other Credit Documents to which it is a party (collectively, the "Canadian Obligations"). If any or all of the Canadian Obligations becomes due and payable hereunder or under such other Credit Documents, the U.S. Borrower unconditionally promises to pay such Canadian Obligations, on demand, together with any and all reasonable out-of-pocket expenses which may be incurred by the Administrative Agent or the Lenders in collecting any of the Canadian Obligations.

16.02. Bankruptcy. Additionally, the U.S. Borrower unconditionally, irrevocably and absolutely guarantees the payment of any and all Canadian Obligations, including interest

which would, but for a bankruptcy filing, have accrued after a bankruptcy filing, whether or not due or payable by the Canadian Revolving Loan Borrowers upon the occurrence of any of the events specified in Section 12.05, and absolutely, unconditionally and irrevocably promises to pay such Canadian Obligations to order, on demand, in the currency in which it is required to be paid under this Agreement.

16.03. Nature of Liability. The liability of the U.S. Borrower hereunder is exclusive and independent of any security for or other guaranty of the Canadian Obligations whether executed by the U.S. Borrower, any other guarantor or any other party, and the liability of the U.S. Borrower hereunder shall not be affected or impaired by (a) any direction as to application of payment by the Canadian Revolving Loan Borrowers or by any other party, or (b) any other continuing or other guaranty, undertaking or maximum liability of a guarantor or of any other party as to the Canadian Obligations, or (c) any payment on or in reduction of any such other guaranty or undertaking, or (d) any dissolution, termination or increase, decrease or change in personnel by the Canadian Revolving Loan Borrowers, or (e) any payment made on the Canadian Obligations which are repaid to any Canadian Revolving Loan Borrower pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, and the U.S. Borrower waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding.

16.04. Guaranty Absolute. No invalidity, irregularity or unenforceability of all or any part of the Canadian Obligations guaranteed hereby or of any security therefor shall affect, impair or be a defense to the guaranty contained in this Section 16 (the "Guaranty"), and this Guaranty shall be primary, absolute, irrevocable and unconditional notwithstanding the occurrence of any event or the existence of any other circumstances which might constitute a legal or equitable discharge of a surety or guarantor except payment in full of the Canadian Obligations guaranteed herein. The U.S. Borrower waives, to the maximum extent permitted by applicable law, any defense to payment under the guaranty contained in this Section 16 for (i) any law, regulation, decree or order of any jurisdiction or any event affecting any term of a guaranteed obligation or (ii) claims or set-off rights that a guarantor may have. The guaranty under this Section 16 is a guaranty of payment and not of collection.

16.05. Independent Obligation. The obligations of the U.S. Borrower hereunder are independent of the obligations of any other guarantor or the Canadian Revolving Loan Borrowers, and a separate action or actions may be brought and prosecuted against the U.S. Borrower whether or not action is brought against any other guarantor or the Canadian Revolving Loan Borrowers and whether or not any other guarantor or the Canadian Revolving Loan Borrower be joined in any such action or actions. The U.S. Borrower waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof. Any payment by the Canadian Revolving Loan Borrowers or other circumstance which operates to toll any statute of limitations as to the Canadian Revolving Loan Borrowers shall operate to toll the statute of limitations as to the U.S. Borrower.

16.06. Authorization. The U.S. Borrower authorizes the Canadian Lenders without notice or demand, and without affecting or impairing its liability hereunder, from time to time to:

(a) change the manner, place or terms of payment of, and/or change or extend the time of payment of, renew, increase, accelerate or alter, any of the indebtedness (including any increase or decrease in the rate of interest thereon), any security therefor, or any liability incurred directly or indirectly in respect thereof, and the Guaranty herein made shall apply to the indebtedness as so changed, extended, renewed or altered;

(b) take and hold security for the payment of the Canadian Obligations and sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, the Canadian Obligations or any liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or any offset there against;

(c) exercise or refrain from exercising any rights against the Canadian Revolving Loan Borrowers or others or otherwise act or refrain from acting;

(d) release or substitute any one or more endorsers, guarantors, the Canadian Revolving Loan Borrowers or other obligors;

(e) settle or compromise any of the indebtedness, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of the Canadian Revolving Loan Borrowers to their creditors other than the Canadian Lenders;

(f) apply any sums by whomsoever paid or howsoever realized to any liability or liabilities of the Canadian Revolving Loan Borrowers to the Canadian Lenders regardless of what liability or liabilities of the U.S. Borrower or the Canadian Revolving Loan Borrowers remain unpaid;

(g) consent to or waive any breach of, or any act, omission or default under, this Agreement or any of the instruments or agreements referred to herein, or otherwise amend, modify or supplement this Agreement or any of such other instruments or agreements; and/or

(h) take any other action which would, under otherwise applicable principles of common law, give rise to a legal or equitable discharge of the U.S. Borrower from its liabilities under this Section 16.

16.07. Reliance. It is not necessary for any Canadian Lender to inquire into the capacity or powers of any Canadian Revolving Loan Borrower or the officers, directors, partners or agents acting or purporting to act on its behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

16.08. Subordination. Any indebtedness of the Canadian Revolving Loan Borrowers now or hereafter held by the U.S. Borrower is hereby subordinated to the Canadian Obligations of the Canadian Revolving Loan Borrowers to the Canadian Lenders; and such indebtedness of the Canadian Revolving Loan Borrowers to the U.S. Borrower, if the

Administrative Agent (at the direction of the Required Lenders), after an Event of Default has occurred, so requests, shall be collected, enforced and received by the U.S. Borrower as trustee for the Canadian Lenders and be paid over to the Canadian Lenders on account of the Canadian Obligations of the Canadian Revolving Loan Borrower to the Canadian Lenders, but without affecting or impairing in any manner the liability of the U.S. Borrower under the other provisions of this Guaranty. Prior to the transfer by the U.S. Borrower of any note or negotiable instrument evidencing any indebtedness of the Canadian Revolving Loan Borrowers to the U.S. Borrower, the U.S. Borrower shall mark such note or negotiable instrument with a legend that the same is subject to this subordination.

16.09. Waivers. (a) The U.S. Borrower waives any right to require any Canadian Lender to (i) proceed against the Canadian Revolving Loan Borrowers, any other guarantor or any other party, (ii) proceed against or exhaust any security held from the Canadian Revolving Loan Borrowers, any other guarantor or any other party or (iii) pursue any other remedy in any Canadian Lender's power whatsoever. The U.S. Borrower waives any defense based on or arising out of any defense of the Canadian Revolving Loan Borrowers, any other guarantor or any other party other than payment in full in cash of the Canadian Obligations, including, without limitation, any defense based on or arising out of the disability of the Canadian Revolving Loan Borrowers, any other guarantor or any other party, or the unenforceability of the Canadian Obligations or any part thereof for any cause, or the cessation for any cause of the liability of the Canadian Revolving Loan Borrowers other than to the extent of payment in full in cash of the Canadian Obligations. The Canadian Lenders may, at their election, foreclose on any security held by the Administrative Agent or any Canadian Lenders by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable (to the extent such sale is permitted by applicable law), or exercise any other right or remedy the Canadian Lenders may have against the Canadian Revolving Loan Borrowers or any other party, or any security, without affecting or impairing in any way the liability of the U.S. Borrower hereunder except to the extent the Canadian Obligations have been paid in cash. The U.S. Borrower waives any defense arising out of any such election by the Canadian Lenders, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of the U.S. Borrower against the Canadian Revolving Loan Borrower or any other party or any security.

(b) The U.S. Borrower waives all presentments, demands for performance, protests and notices, including, without limitation, notices of nonperformance, notices of protest, notices of dishonor, notices of acceptance of this Guaranty, and notices of the existence, creation or incurring of new or additional Canadian Obligations. The U.S. Borrower assumes all responsibility for being and keeping itself informed of the Canadian Revolving Loan Borrowers' financial condition and assets, and of all other circumstances bearing upon the risk of non-payment of the Canadian Obligations and the nature, scope and extent of the risks which the U.S. Borrower assumes and incurs hereunder, and agrees that the Canadian Lenders shall have no duty to advise the U.S. Borrower of information known to them regarding such circumstances or risks.

(c) All parties hereto agree that the U.S. Borrower shall have no right of subrogation against any Canadian Revolving Loan Borrower or any Guarantor regarding any

payment of Canadian Obligations until all of the Obligations have been irrevocably paid in full in cash.

The U.S. Borrower warrants and agrees that each of the waivers set forth above in this Section 16.09 is made with full knowledge of its significance and consequences and that if any of such waivers are determined to be contrary to any applicable law or public policy, such waivers shall be effective only to the maximum extent permitted by law.

16.10. Guaranty Continuing. This Guaranty is a continuing one and all liabilities to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. No failure or delay on the part of any Canadian Lenders in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which any Canadian Lenders or any subsequent holder of a Canadian Revolving Note, or issuer of, or participant in, a Letter of Credit would otherwise have. No notice to or demand on the U.S. Borrower in any case shall entitle the U.S. Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Canadian Lenders or any holder, creator or purchaser to any other or further action in any circumstances without notice or demand.

16.11. Binding Nature of Guaranties. This Guaranty shall be binding upon the U.S. Borrower and its successors and assigns and shall inure to the benefit of the Canadian Lenders and their successors and assigns.

16.12. Judgments Binding. If claim is ever made upon any Canadian Lender for repayment or recovery of any amount or amounts received in payment or on account of any of the Canadian Obligations and such Canadian Lender repays all or part of said amount by reason of (a) any judgment, decree or order of any court or administrative body having jurisdiction over such payee or any of its property, or (b) any settlement or compromise of any such claim effected by such Canadian Lender with any such claimant (including any Canadian Revolving Loan Borrower) then and in such event the U.S. Borrower agrees that any such judgment, decree, order, settlement or compromise shall be binding upon the U.S. Borrower, notwithstanding any revocation hereof or the cancellation of any Canadian Revolving Credit Note, or other instrument evidencing any liability of the Canadian Revolving Loan Borrowers, and the U.S. Borrower shall be and remain liable to the Canadian Lenders hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Agreement as of the date first above written.

Address:

6903 Rockledge Drive, Suite 1500
Bethesda, Maryland 20817
Telecopier No.: (240) 744-5154
Attention: General Counsel, Dept. 923

with a copy to:

6903 Rockledge Drive, Suite 1500
Bethesda, Maryland 20817
Telecopier No.: (240) 744-5810
Attention: Treasurer, Dept. 916

(same as above)

HOST MARRIOTT, L.P.
By: Host Marriott Corporation,
its General Partner

By: /s/ JOHN A. CARNELLA
Name: **John A. Carnella**
Title: **Senior Vice President**

CALGARY CHARLOTTE PARTNERSHIP
By: HMC Charlotte (Calgary) Company and HMC Grace (Calgary) Company, its General Partners
HMC TORONTO AIR COMPANY
HMC TORONTO EC COMPANY
HMC AP CANADA COMPANY

By: /s/ JOHN A. CARNELLA
Name: **John A. Carnella**
Title: **Vice President**

DEUTSCHE BANK TRUST COMPANY AMERICAS,
Individually and as Administrative Agent

By: /s/ LINDA WANG
Name: **Linda Wang**
Title: **Vice President**

BANK OF AMERICA, N.A.
Individually and as Syndication Agent

By: /s/ LESA J. BUTLER
Name: **Lesa J. Butler**
Title: **Principal**

CITICORP NORTH AMERICA, INC.

By: /s/ BLAKE R. GRONICH
Name: **Blake R. Gronich**
Title: **Vice President**

CALYON NEW YORK BRANCH

By: /s/ JAN HAZELTON
Name: **Jan Hazelton**
Title: **Director**

By: /s/ JOSEPH A. ASCIOLLA
Name: **Joseph A. Asciolla**
Title: **Managing Director**

SOCIÉTÉ GÉNÉRALE

By: /s/ THOMAS K. DAY
Name: **Thomas K. Day**
Title: **Managing Director**

THE BANK OF NEW YORK

By: /s/ ANTHONY A. FILORIMO
Name: **Anthony A. Filorimo**
Title: **Vice President**

GOLDMAN SACHS CREDIT PARTNERS L.P.

By: /s/ WILLIAM ARCHER
Name: **William Archer**
Title: **Authorized Signatory**

BEAR STEARNS CORPORATE LENDING INC.

By: /s/ VICTOR BULZACCHELLI
Name: **Victor Bulzacchelli**
Title: **Vice President**

WACHOVIA BANK, NATIONAL ASSOCIATION

By: /s/ DAVID M. BLACKMAN
Name: **David M. Blackman**
Title: **Director**

THE BANK OF NOVA SCOTIA

By: /s/ K.M. PIGOTT
Name: **K.M. Pigott**
Title: **Managing Director**

DEUTSCHE BANK AG CANADA BRANCH

By: /s/ ROBERT JOHNSTON
Name: **Robert Johnston**
Title: **Vice President**

DEUTSCHE BANK AG CANADA BRANCH

By: /s/ MARCELLUS LEUNG
Name: **Marcellus Leung**
Title: **Assistant Vice President**

BANK OF AMERICA, N.A. (CANADA BRANCH)

By: /s/ MEDINA SALES DE ANDRADE
Name: **Medina Sales De Andrade**
Title: **Assistant Vice President**

CITIBANK, N.A. CANADIAN BRANCH

By: /s/ ADEEL KHERAJ
Name: **Adeel Kheraj**
Title: **Authorized Signer**

SOCIÉTÉ GÉNÉRALE (CANADA)

By: /s/ FRANÇOIS LALIBERTÉ
Name: **François Laliberté**
Title: **Managing Director**

By: /s/ DILETTA PRANDO
Name: **Diletta Prando**
Title: **Director, Legal Affairs Assistant Secretary**

SCHEDULE I-A

COMMITMENTS

Lender	Revolving Loan Commitment
Deutsche Bank Trust Company Americas	$100,000,000
Bank of America, N.A.	100,000,000
Citicorp North America Inc.	100,000,000
Société Générale	65,000,000
Calyon New York Branch	65,000,000
Goldman Sachs Credit Partners L.P.	40,000,000
The Bank of New York	40,000,000
Bear Stearns Corporate Lending Inc.	25,000,000
Wachovia Bank, National Association	25,000,000
The Bank of Nova Scotia	15,000,000
Total	**$575,000,000**

SCHEDULE I-B

MAXIMUM CANADIAN DOLLAR REVOLVING LOAN SUB-COMMITMENTS

Canadian Lenders	Maximum Canadian Dollar Revolving Loan Sub-Commitments
Deutsche Bank AG Canada Branch	$ 40,000,000
Bank of America, N.A. (Canada Branch)	40,000,000
Citibank, N.A. Canadian Branch	40,000,000
The Bank of Nova Scotia	15,000,000
Société Générale (Canada)	15,000,000
TOTAL:	U.S. $150,000,000

SCHEDULE II

LENDER ADDRESSES AND APPLICABLE LENDING OFFICES

Lender	Address
Deutsche Bank Trust Company Americas	60 Wall Street, 10th Floor New York, New York 10005 Attention: Linda Wang Telephone: (212) 250-2368 Facsimile: (212) 797-4496
Bank of America, N.A.	901 Main Street, 64th Floor Dallas, Texas 75202-3714 Attention: Lesa Butler Telephone: (214) 209-1506 Facsimile: (214) 209-0085
Citicorp North America Inc.	Citigroup Global Markets Inc. 390 Greenwich Street New York, New York 10013 Attention: Blake R. Gronich Telephone: (212) 723-6570 Facsimile: (212) 723-8380
Société Générale	2001 Ross Ave. 49th Floor Dallas, Texas 75201 Attention: Tom Day Telephone: (214) 979-2774 Facsimile: (214) 979-2727
Calyon New York Branch	1301 Avenue of the Americas New York, NY 10019-6022 Attention: Jan Hazelton Telephone: (212) 261-3723 Facsimile: (212) 261-7532
Goldman Sachs Credit Partners L.P.	85 Broad Street - 27th Floor New York, New York 10004 Attention: Sandra Stulberger Telephone: (212) 902-5977 Facsimile: (212) 357-4597
The Bank of New York	One Wall Street, 21st Floor New York, New York 10286 Attention: Jamia Jasper Telephone: (212) 635-8245 Facsimile: (212) 809-9526

Bear Stearns Corporate Lending Inc.	Bear, Stearns & Co. Inc. 383 Madison Avenue 8th Floor New York, NY 10179 Attention: Victor F. Bulzacchelli Telephone: (212) 272-3042 Facsimile: (212) 272-9184
Wachovia Bank, National Association	301 S. College Street NC 0172 Charlotte, NC 28288-0172 Attention: David Blackman Telephone: (704) 374-6272 Facsimile: (704) 383-6205
The Bank of Nova Scotia	One Liberty Plaza 25th Floor New York, NY 10006 Attention: Kate Pigott Telephone: (212) 225-5330 Facsimile: (212) 225-5166
Deutsche Bank AG Canada Branch	222 Bay Street, Suite 1100, P.O. Box 196 Toronto, Ontario M5K 1H6 Attention: Robert Johnston Telephone: (416) 682-8151 Facsimile: (416) 682-8444
Bank of America, N.A. (Canada Branch)	200 Font Street West, Suite 2700 Toronto, Ontario M5V 3L2 Attention: Medina Sales de Andrade Telephone: (416) 349-5433 Facsimile: (416) 349-4283
Citibank, N.A. Canadian Branch	Citigroup Global Markets Inc. 390 Greenwich Street New York, New York 10013 Attention: Blake R. Gronich Telephone: (212) 723-6570 Facsimile: (212) 723-8380
Société Générale (Canada)	1501 McGill College Avenue Suite 1800 Montreal, Quebec H3A 3M8 Attention: Adrien Falcon Telephone: (514) 841-6000 ext. 4522 Facsimile: (514) 841-6259

SCHEDULE III

CERTAIN PROVISIONS RELATING TO BANKERS' ACCEPTANCES

This Schedule III sets forth certain terms and conditions relating to the obligation of the Canadian Lenders to make loans to any Canadian Revolving Loan Borrower pursuant to Sections 2.01(a)(ii)(y) and 2.01(b)(ii)(y) of the Credit Agreement by way of Bankers' Acceptances. Capitalized terms used herein shall have the meanings assigned to such terms in the Credit Agreement.

(a) Availability. All notices of borrowings, conversions or continuations of Bankers' Acceptances shall be in a minimum aggregate Face Amount of Cdn $10,000,000 or a multiple of Cdn $100,000 in excess thereof, and a Canadian Lender shall not be obliged to accept any Draft:

(i) which is drawn on or which matures on a day which is not a Business Day;

(ii) which matures on a day subsequent to the Maturity Date;

(iii) which has a term other than approximately 30, 60, 90 or 180 days;

(iv) which is denominated in any currency other than Canadian Dollars;

(v) which is not in a form satisfactory to such Canadian Lender and or the Administrative Agent;

(vi) which has a Face Amount of less than Cdn $1,000,000 or such Face Amount is not an integral multiple of Cdn $100,000;

(vii) in respect of which the respective Canadian Revolving Loan Borrower has not then paid the applicable Acceptance Fee; or

(viii) if a Default or an Event of Default has occurred and is continuing.

(b) Grace. Each Canadian Revolving Loan Borrower hereby renounces, and shall not claim or request or require any Canadian Lender to claim, any days of grace for the payment of any Bankers' Acceptance.

(c) Bankers' Acceptances in Blank. To facilitate the acceptance by the Canadian Lenders of Drafts as contemplated by the Credit Agreement and this Schedule III, each Canadian Revolving Loan Borrower that wishes to incur Bankers' Acceptance Loans shall, on the Effective Date and from time to time as required, supply each Canadian Lender with such numbers of Drafts as it may request, each executed and endorsed in blank by such Canadian Revolving Loan Borrower. Each Canadian Lender shall exercise such care in the custody and safekeeping of such Drafts as they give to similar property owned by them. Each Canadian Lender is hereby authorized to issue such Bankers' Acceptances endorsed in blank in such Face

Amounts as may be determined by such Canadian Lender, provided that the aggregate amount thereof is equal to the aggregate amount of Bankers' Acceptances required to be accepted by such Canadian Lender. No Canadian Lender shall be responsible or liable for its failure to accept a Bankers' Acceptance if the cause of such failure is, in whole or in part, due to the failure of any Canadian Revolving Loan Borrower to provide duly executed and endorsed Drafts to such Canadian Lender on a timely basis, nor shall any Canadian Lender be liable for any damage, loss or other claim arising by reason of any loss or improper use of any such instrument except loss or improper use to the extent the same has been finally judicially determined to have arisen by reason of the gross negligence or willful misconduct of such Canadian Lender, its officers, employees, agents or representatives.

(d) Execution of Bankers' Acceptances. Drafts of any Canadian Revolving Loan Borrower to be accepted as Bankers' Acceptances hereunder shall be duly executed on behalf of such Canadian Revolving Loan Borrower and upon the request of any Canadian Lender, each Canadian Revolving Loan Borrower shall provide to such Canadian Lender a power of attorney to complete, sign, endorse and issue Bankers' Acceptances on behalf of such Canadian Revolving Loan Borrower in form and substance satisfactory to such Canadian Lender. Notwithstanding that any one or more of the individuals whose manual or facsimile signature appears on any Draft or Bankers' Acceptance as a signatory on behalf of any Canadian Revolving Loan Borrower may no longer hold office at the date of such Draft or Bankers' Acceptance or at the date of its acceptance by any Canadian Lender hereunder, or at any time thereafter, any Bankers' Acceptance signed as aforesaid on behalf of such Canadian Revolving Loan Borrower shall be valid and binding upon such Canadian Revolving Loan Borrower. Alternatively, at the request of any Canadian Lender, each Canadian Revolving Loan Borrower shall deliver to such Canadian Lender a "depository note" or "depository bill" which complies with the requirements of the *Depository Bills and Notes Act* (Canada), and hereby consents to the deposit of any Bankers' Acceptance in the form of a depository note or depository bill in the book-based debt clearance system maintained by the Canadian Depository of Securities Limited or other recognized clearing house. In such circumstances, the delivery of Bankers' Acceptances shall be governed by the clearance procedures established thereunder.

(e) Issuance of Bankers' Acceptances. Promptly following receipt of a notice of borrowing, conversion or continuation by way of Bankers' Acceptances, the Administrative Agent shall so advise the Canadian Lenders and shall advise each Canadian Lender of the Face Amount of each Bankers' Acceptance to be accepted by it and the term thereof. The aggregate Face Amount of Bankers' Acceptances to be accepted by a Canadian Lender shall be determined by the Administrative Agent by reference to the respective Canadian RL Percentages of the Canadian Lenders, except that, if the Face Amount of any Bankers' Acceptance that would otherwise be accepted by a Canadian Lender would not be Cdn $100,000 or a multiple thereof, such Face Amount shall be increased or reduced by the Administrative Agent in its sole discretion to the nearest multiple of Cdn $100,000.

Notwithstanding the foregoing, if by reason of any increase or reduction described in the immediately preceding sentence, any Canadian Lender shall have aggregate Canadian Revolving Loans in excess of its respective Canadian RL Percentage of the total outstanding Canadian Revolving Loans for all the Canadian Lenders (any such Lender being herein called an "Over-Allotted Lender"), then at any time following the occurrence and during the continuance

of an Event of Default, each other Canadian Lender agrees, upon request of the Over-Allotted Lender, to promptly purchase from such Over-Allotted Lender participations in (or, if and to the extent specified by any such purchasing Lender, direct interests in) the Bankers' Acceptances Loans and Canadian Prime Rate Loans owing to the Over-Allotted Lender (and in interest due thereon, as the case may be) in such amounts, and to make such other adjustments from time to time as shall be equitable, to the end that all the Canadian Lenders shall hold the Bankers' Acceptances Loans and Canadian Prime Rate Loans ratably according to their respective Canadian RL Percentages.

(f) Purchase of Bankers' Acceptances: Continuations as and Conversions into Bankers' Acceptance Loans. Subject to subsection (k) below, upon the acceptance of a Bankers' Acceptance by a Canadian Lender, such Canadian Lender shall purchase, or arrange the purchase of, each Bankers' Acceptance from the respective Canadian Revolving Loan Borrower at a price equal to the BA Discount Proceeds of such Bankers' Acceptance and provide to the Administrative Agent at the relevant Payment Office an amount in Canadian Dollars equal to such BA Discount Proceeds for the account of the respective Canadian Revolving Loan Borrower. The BA Discount Proceeds so received by the Administrative Agent from the Canadian Lenders shall be retained by the Administrative Agent and applied as follows: (i) remitted to the respective Canadian Revolving Loan Borrower (in the case of the making of a Canadian Revolving Loan), (ii) to the prepayment of Canadian Prime Rate Loans (in the case of a conversion of the Canadian Revolving Loans from Canadian Prime Rate Loans to Bankers' Acceptance Loans) or (iii) to the payment of Bankers' Acceptances maturing on such date (in the case of a continuation of Bankers' Acceptance Loans to new Bankers' Acceptance Loans), provided that in the case of any such conversion or continuation of Revolving Loans, the respective Canadian Revolving Loan Borrower shall pay to the Administrative Agent for account of the respective Canadian Lenders such additional amounts, if any, as shall be necessary to effect the prepayment in full of the respective Canadian Prime Rate Loans being prepaid, or the Bankers' Acceptances maturing, on such date.

On any date on which a borrowing, conversion or continuation shall occur, the Administrative Agent shall be entitled to net all amounts payable on such date by the Administrative Agent to a Canadian Lender against all amounts payable on such date by such Canadian Lender to the Administrative Agent. Similarly, on any such date, each Canadian Revolving Loan Borrower hereby authorizes each Canadian Lender to net all amounts payable on such date by such Canadian Lender to the Administrative Agent for the account of such Canadian Revolving Loan Borrower, against all amounts (including, without limitation, Acceptance Fees under paragraph (g) below) payable on such date by such Canadian Revolving Loan Borrower to such Canadian Lender in accordance with the Administrative Agent's calculations.

(g) Acceptance Fees. Each Canadian Revolving Loan Borrower shall pay to the Administrative Agent, in advance, for distribution to each Canadian Lender which accepts a Bankers' Acceptance (based on their respective Canadian RL Percentages), the applicable Acceptance Fee in respect of the Face Amount of such Bankers' Acceptance, which shall be payable on or before the date of acceptance of such Bankers' Acceptance. In connection with any conversion of an outstanding Bankers' Acceptance that is a Canadian Revolving A Loan to a Bankers' Acceptance that is a Canadian Revolving B Loan, or of an outstanding Bankers'

Acceptance that is a Canadian Revolving B Loan to a Bankers' Acceptance that is a Canadian Revolving A Loan, as the case may be (the original Tranche under which such Bankers' Acceptance was outstanding before such conversion being the "Existing Tranche" and the Tranche under which such Bankers' Acceptance was outstanding after such re-designation being the "Re-designated Tranche"), the Administrative Agent will calculate as of the effective date of such conversion (the "Calculation Date") (a) that portion of the Acceptance Fee originally paid by the applicable Canadian Revolving Loan Borrower with respect to such Bankers' Acceptance on or about the Drawing Date of such Bankers' Acceptance (having regard to any adjustments to such amount as a result of the occurrence of prior Tranche conversions and Calculation Dates (if any) with respect to such Bankers' Acceptance) that is attributable to the remaining term of such Bankers' Acceptance from and including such Calculation Date (calculated by multiplying such Acceptance Fee by a fraction, the numerator of which is the number of days in such remaining term of such Bankers' Acceptance and the denominator of which is the number of days in the original term of such Bankers' Acceptance (with appropriate adjustments in such calculations to reflect prior Tranche re-designations and Calculation Dates (if any) with respect to such Bankers' Acceptance)) (the "Paid Acceptance Fee for the Remaining Term"), and (b) the Acceptance Fee that would have been payable by the applicable Canadian Revolving Loan Borrower with respect to such Bankers' Acceptance if such Banker's Acceptance had been issued under the Re-designated Tranche on the original Drawing Date of such Bankers' Acceptance for a term equal to the remaining term of such Bankers' Acceptance from and including the Calculation Date (the "Required Acceptance Fee for the Remaining Term"). The Administrative Agent will promptly advise the applicable Canadian Lender and the applicable Canadian Revolving Loan Borrower of such calculations and on the next Business Day (a) the applicable Canadian Revolving Loan Borrower will pay to the applicable Canadian Lender the amount, if positive, by which the Required Acceptance Fee for the Remaining Term exceeds the Paid Acceptance Fee for the Remaining Term (the "Additional Acceptance Fee"), and (b) the applicable Canadian Lender will pay to the applicable Canadian Revolving Loan Borrower the amount, if positive, by which the Paid Acceptance Fee for the Remaining Term exceeds the Required Acceptance Fee for the Remaining Term (the "Acceptance Fee Rebate").

(h) Prepayments and Payments. Subject to paragraph (j) of this Schedule III, and except as otherwise provided under Section 2.17, no prepayment of any Bankers' Acceptances shall be made by any Canadian Revolving Loan Borrower prior to the maturity date of such Bankers' Acceptance. Each Canadian Revolving Loan Borrower hereby unconditionally agrees to pay to the Administrative Agent for the account of each Canadian Lender an amount in Canadian Dollars equal to the Face Amount of each Bankers' Acceptance created by such Canadian Lender for the account of such Canadian Revolving Loan Borrower on the maturity date thereof (whether at stated maturity, by acceleration or otherwise) (notwithstanding that such Canadian Lender may be the holder of it at maturity).

(i) Conversion to Canadian Prime Rate Loans upon Maturity. Unless a Bankers' Acceptance of a Tranche is paid in full at the maturity thereof, or continued as another Canadian Revolving Loan by way of Bankers' Acceptances, the obligation of any Canadian Revolving Loan Borrower to any Canadian Lender in respect of a maturing Bankers' Acceptance of a Tranche accepted by such Canadian Lender shall be deemed to be converted automatically on the maturity date thereof into a Canadian Prime Rate Loan of that same Tranche under which the maturing Bankers' Acceptance was incurred in an amount equal to the full Face Amount of

such maturing Bankers' Acceptance. Such Canadian Prime Rate Loan shall be subject to all of the provisions of the Credit Agreement applicable to a Canadian Prime Rate Loan of that same Tranche under which the maturing Bankers' Acceptance was incurred (or transferred in accordance with Section 2.07), including in particular the obligation to pay interest, from and after the maturity date of such Bankers' Acceptance. Each Canadian Lender shall be obligated to make the Canadian Prime Rate Loan contemplated under this paragraph (i) regardless of whether the conditions precedent to borrowing set forth in the Credit Agreement are then satisfied.

(j) Default. Upon the acceleration of the Canadian Revolving Loans pursuant to Section 12 of the Credit Agreement (whether by action of the Administrative Agent or the Required Lenders, or automatically by reason of the occurrence of an Event of Default referred to in Section 12.05 with respect to any Borrower), each Canadian Revolving Loan Borrower shall pay to the Administrative Agent in satisfaction of the obligations of such Canadian Revolving Loan Borrower to the Canadian Lenders in respect of then-outstanding Bankers' Acceptances, and there shall become immediately due and payable, an amount equal to (i) the aggregate Face Amount of all outstanding Bankers' Acceptances thereof; and (ii) all unpaid Acceptance Fees, if any.

(k) Circumstances Making Bankers' Acceptances Unavailable. If the Administrative Agent shall have reasonably determined (which determination shall be conclusive and binding upon all parties hereto) and notified the Canadian Revolving Loan Borrowers and each of the Canadian Lenders that, by reason of circumstances arising after the Effective Date and affecting the Canadian money market (i) there is no market for Bankers' Acceptances or (ii) the demand for Bankers' Acceptances is insufficient to allow the sale or trading of the Bankers' Acceptances created and purchased hereunder, then the right of any Canadian Revolving Loan Borrower to request that any Canadian Lender accept a Bankers' Acceptance shall be suspended until the Administrative Agent determines that the circumstances giving rise to such suspension no longer exist and the Administrative Agent so notifies the Canadian Revolving Loan Borrowers.

(l) Indemnification in Respect of Bankers' Acceptances. In addition to any liability of any Canadian Revolving Loan Borrower to any Lender or the Administrative Agent under any other provision hereof, each Canadian Revolving Loan Borrower shall indemnify each Lender and the Administrative Agent and hold each of them harmless against any reasonable loss or expense incurred by such Lender or the Administrative Agent as a result of (x) any failure by such Canadian Revolving Loan Borrower to fulfill any of its obligations hereunder including, without limitation, any cost or expense incurred by reason of the liquidation or re-employment in whole or in part of deposits or other funds required by any Lender to fund any Bankers' Acceptance as a result of the failure of such Canadian Revolving Loan Borrower to make any payment, repayment or prepayment on the date required hereunder or specified by it in any notice given hereunder or under the Credit Agreement; or (y) such Canadian Revolving Loan Borrower's failure to provide for the payment to the Administrative Agent, for the account of each of the Canadian Lenders, of the full Face Amount of each Bankers' Acceptance on its maturity date except for any failure arising from a conversion to Canadian Prime Rate Loans in accordance with Section 2.07(b) of the Credit Agreement.

(m) Canadian Lenders as Holders. Bankers' Acceptances purchased by a Canadian Lender may be held by it for its own account until the maturity date or sold by it at any time prior to that date in any relevant Canadian market in such Canadian Lender's sole discretion.

(n) Utilizations under Maximum Canadian Dollar Revolving Loan Sub-Commitment. For the purposes of the Credit Agreement and this Schedule III, all Bankers' Acceptances shall be considered a utilization of the Maximum Canadian Dollar Revolving Loan Sub-Commitments and the Revolving Loan Commitments in an amount equal to the aggregate Face Amount of such Bankers' Acceptances.

SCHEDULE IV

PART I: GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
Airport Hotels LLC	U.S. Borrower	100	0
Ameliatel	HMC Amelia I LLC (99% GP), HMC Amelia II LLC (1% GP)	100	0
Calgary Charlotte Holdings Company	HMC Charlotte (Calgary) Company	100	0
Chesapeake Financial Services LLC	U.S. Borrower	100	0
Chesapeake Hotel Limited Partnership	HMC PLP LLC (1% GP), U.S. Borrower 99% LP)	100	0
City Center Hotel Limited Partnership	U.S. Borrower (97.2% LP), Host La Jolla LLC (1% GP, 1.8% LP)	100	0
Durbin LLC	U.S. Borrower	100	0
Farrell’s Ice Cream Parlour Restaurants LLC	U.S. Borrower	100	0
Fernwood Hotel LLC	U.S. Borrower	100	0
HMC Amelia I LLC	U.S. Borrower	100	0
HMC Amelia II LLC	U.S. Borrower	100	0
HMC AP Canada Company	HMC AP LP	100	0
HMC AP GP LLC	U.S. Borrower	100	0
HMC AP LP	U.S. Borrower (99.99% LP), HMC AP GP LLC (.01% GP)	100	0
HMC Atlanta LLC	U.S. Borrower	100	0
HMC BCR Holdings LLC	U.S. Borrower	100	0
HMC Burlingame LLC	HMC BCR Holdings LLC	100	0

SCHEDULE IV

PART I: GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
HMC Capital LLC	U.S. Borrower	100	0
HMC Capital Resources LLC	U.S. Borrower (90% member), HMC Capital LLC (10% member)	100	0
HMC Charlotte (Calgary) Company	HMC Charlotte LP	100	0
HMC Charlotte GP LLC	U.S. Borrower (99% non managing; 1% managing)	100	0
HMC Charlotte LP	U.S. Borrower (99.99% LP), HMC Charlotte GP LLC (.01% GP)	100	0
HMC Chicago LLC	U.S. Borrower	100	0
HMC Copley LLC	U.S. Borrower	100	0
HMC Desert LLC	U.S. Borrower	100	0
HMC Diversified American Hotels, L.P.	HMC Diversified LLC (98% LP, 1% GP), HMC HPP LLC (.99% LP), U.S. Borrower (.1% LP)	100	0
HMC Diversified LLC	U.S. Borrower	100	0
HMC East Side II LLC	U.S. Borrower	100	0
HMC Gateway LLC	U.S. Borrower	100	0
HMC Georgia LLC	U.S. Borrower	100	0
HMC Grace (Calgary) Company	HMC Charlotte (Calgary) Company	100	0
HMC Grand LLC	U.S. Borrower	100	0
HMC Hanover LLC	U.S. Borrower	100	0
HMC Hartford LLC	U.S. Borrower	100	0
HMC Headhouse Funding LLC	U.S. Borrower	100	0

SCHEDULE IV

PART I: GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
HMC Host Restaurants LLC	U.S. Borrower	100	0
HMC Hotel Development LLC	U.S. Borrower	100	0
HMC HPP LLC	U.S. Borrower	100	0
HMC HT LLC	U.S. Borrower	100	0
HMC IHP Holdings LLC	U.S. Borrower	100	0
HMC JWDC GP LLC	U.S. Borrower	100	0
HMC JWDC LLC	U.S. Borrower	100	0
HMC Lenox LLC	U.S. Borrower	100	0
HMC Manhattan Beach LLC	U.S. Borrower	100	0
HMC Market Street LLC	U.S. Borrower	100	0
HMC Maui LLC	U.S. Borrower	100	0
HMC Mexpark LLC	U.S. Borrower	100	0
HMC NGL LLC	U.S. Borrower	100	0
HMC OLS I L.P.	HMC OLS I LLC (0.1% GP), U.S. Borrower (99.9% LP)	100	0
HMC OLS I LLC	U.S. Borrower	100	0
HMC OLS II L.P.	HMC OLS I L.P. (99.9% LP), HMC OLS I LLC (0.1% GP)	100	0
HMC OP BN LLC	U.S. Borrower	100	0
HMC Pacific Gateway LLC	U.S. Borrower	100	0
HMC Palm Desert LLC	U.S. Borrower	100	0

SCHEDULE IV

PART I: GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
HMC Park Ridge LLC	HMC Capital Resources LLC	100	0
HMC PLP LLC	U.S. Borrower	100	0
HMC Polanco LLC	HMC Mexpark LLC	100	0
HMC Potomac LLC	U.S. Borrower	100	0
HMC Properties I LLC	U.S. Borrower	100	0
HMC Properties II LLC	U.S. Borrower	100	0
HMC Property Leasing LLC	U.S. Borrower	100	0
HMC Retirement Properties L.P.	Durbin LLC (1% GP), U.S. Borrower (99% LP)	100	0
HMC SBM Two LLC	U.S. Borrower	100	0
HMC Seattle LLC	U.S. Borrower	100	0
HMC SFO LLC	U.S. Borrower	100	0
HMC Suites Limited Partnership	HMC Suites LLC (1% GP), HMC Capital Resources LLC (99% LP)	100	0
HMC Suites LLC	HMC Capital Resources LLC	100	0
HMC Swiss Holdings LLC	U.S. Borrower	100	0
HMC Toronto Airport GP LLC	U.S. Borrower	100	0
HMC Toronto Airport LP	U.S. Borrower (99.99%), HMC Toronto Airport GP LLC (.01%)	100	0
HMC Toronto EC GP LLC	U.S. Borrower	100	0
HMC Toronto EC LP	U.S. Borrower (99.99%), HMC Toronto EC GP LLC	100	0

SCHEDULE IV

PART I: GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
HMC/Interstate Manhattan Beach, L.P.	HMC Manhattan Beach LLC (1% GP, 74% LP) U.S. Borrower (25% LP)	100	0
HMH General Partner Holdings LLC	U.S. Borrower	100	0
HMH Marina LLC	HMC Retirement Properties L.P.	100	0
HMH Norfolk LLC	U.S. Borrower	100	0
HMH Norfolk, L.P.	HMH Norfolk LLC (1% GP), U.S. Borrower (99% LP)	100	0
HMH Pentagon LLC	U.S. Borrower	100	0
HMH Restaurants LLC	U.S. Borrower	100	0
HMH Rivers LLC	U.S. Borrower	100	0
HMH Rivers, L.P.	HMH Rivers LLC (1% GP), U.S. Borrower (99% LP)	100	0
HMH WTC LLC	U.S. Borrower	100	0
HMT Lessee Parent LLC	U.S. Borrower	100	0
Host La Jolla LLC	U.S. Borrower	100	0
Host of Boston, Ltd.	Airport Hotels LLC (1% GP), U.S. Borrower (99% LP)	100	0
Host of Houston 1979	Airport Hotels LLC (99% GP), Host of Houston, Ltd. (1% GP)	100	0
Host of Houston, Ltd.	Airport Hotels LLC (1% GP), U.S. Borrower (99% LP)	100	0
Host Park Ridge LLC	HMC Capital Resources LLC	100	0
Ivy Street Hopewell LLC	U.S. Borrower	100	0
Ivy Street LLC	U.S. Borrower	100	0

SCHEDULE IV

PART I: GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
Market Street Host LLC	U.S. Borrower	100	0
MDSM Finance LLC	HMC Palm Desert LLC	100	0
New Market Street LP	U.S. Borrower (99.9% LP), HMC Market Street LLC (0.1% GP)	100	0
Philadelphia Airport Hotel LLC	U.S. Borrower	100	0
PM Financial LLC	U.S. Borrower	100	0
PM Financial LP	PM Financial LLC (1% GP), U.S. Borrower (99% LP)	100	0
Potomac Hotel Limited Partnership	HMC Potomac LLC (98% LP, 1% GP), HMC HPP LLC (.99% LP), U.S. Borrower (.1% LP)	100	0
PRM LLC	HMC Capital Resources LLC	100	0
Rockledge Hotel LLC	U.S. Borrower	100	0
S.D. Hotels LLC	U.S. Borrower	100	0
Santa Clara HMC LLC	U.S. Borrower	100	0
Times Square GP LLC	U.S. Borrower	100	0
Times Square LLC	Host La Jolla LLC	100	0
Wellsford-Park Ridge HMC Hotel Limited Partnership	Host Park Ridge LLC (1% GP, 98% LP), PRM LLC (1% LP)	100	0
YBG Associates LLC	HMC Capital Resources LLC	100	0

PART II: NON-GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
Atlanta II Limited Partnership†	HMC Atlanta LLC (98% LP, 1% GP), HMC Partnership Properties LLC (1% LP)	99.99	.01
Beachfront Properties, Inc.**	Sparky's Virgin Island, Inc.	100	0
BRE/Swiss L.L.C.*	HMC Swiss Holdings LLC	100	0
Calgary Charlotte Partnership*	HMC Charlotte (Calgary) Company (80% GP), HMC Grace (Calgary) Company (20% GP)	100	0
CB Realty Sales, Inc. **	Rockledge Hotel Properties, Inc.	100	0
CBM One Holdings LLC**	Rockledge Hotel Properties, Inc.	100	0
CCC CMBS Corporation**	HMT Lessee LLC	100	0
CCES Chicago LLC**	HMT Lessee Sub IV LLC	100	0
CCFH Maui LLC**	HMT Lessee Sub IV LLC	100	0
CCFS Atlanta LLC**	HMT Lessee Sub I LLC	100	0
CCFS Philadelphia LLC**	HMT Lessee Sub IV LLC	100	0
CCHH Atlanta LLC**	HMT Lessee Sub III LLC	100	0
CCHH Burlingame LLC**	HMT Lessee Sub IV LLC	100	0
CCHH Cambridge LLC**	HMT Lessee Sub IV LLC	100	0
CCHH Maui LLC**	HMT Lessee Sub III LLC	100	0
CCHH Reston LLC**	HMT Lessee Sub II LLC	100	0
CCHI Singer Island LLC**	HMT Lessee Sub II LLC	100	0

PART II: NON-GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
CCMH Atlanta Marquis LLC**	HMT Lessee Sub (Atlanta) LLC	100	0
CCMH Atlanta NW LLC**	HMT Lessee Sub IV LLC	100	0
CCMH Atlanta Suites LLC**	HMT Lessee Sub III LLC	100	0
CCMH Bethesda LLC**	HMT Lessee Sub I LLC	100	0
CCMH Charlotte LLC**	HMT Lessee Sub III LLC	100	0
CCMH Chicago CY LLC**	HMT Lessee Sub III LLC	100	0
CCMH Copley LLC**	HMT Lessee Sub I LLC	100	0
CCMH Coronado LLC**	HMT Lessee Sub II LLC	100	0
CCMH Costa Mesa Suites LLC**	HMT Lessee Sub III LLC	100	0
CCMH Dallas/FW LLC**	HMT Lessee Sub II LLC	100	0
CCMH DC LLC**	HMT Lessee Sub I LLC	100	0
CCMH Deerfield Suites LLC**	HMT Lessee Sub I LLC	100	0
CCMH Denver SE LLC**	HMT Lessee Sub III LLC	100	0
CCMH Denver Tech LLC**	HMT Lessee Sub IV LLC	100	0
CCMH Denver West LLC**	HMT Lessee Sub II LLC	100	0
CCMH Diversified LLC**	HMT Lessee Sub IV LLC	100	0
CCMH Downer’s Grove Suites LLC**	HMT Lessee Sub IV LLC	100	0
CCMH Dulles AP LLC**	HMT Lessee Sub I LLC	100	0
CCMH Dulles Suites LLC**	HMT Lessee Sub III LLC	100	0

PART II: NON-GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
CCMH Farmington LLC**	HMT Lessee Sub III LLC	100	0
CCMH Fin Center LLC**	HMT Lessee Sub I LLC	100	0
CCMH Fisherman's Wharf LLC**	HMT Lessee Sub III LLC	100	0
CCMH Ft. Lauderdale LLC**	HMT Lessee Sub Ii LLC	100	0
CCMH Gaithersburg LLC**	HMT Lessee Sub I LLC	100	0
CCMH Hanover LLC**	HMT Lessee Sub I LLC	100	0
CCMH Houston AP LLC**	HMT Lessee Sub III LLC	100	0
CCMH Houston Galleria LLC**	HMT Lessee Sub I LLC	100	0
CCMH IHP LLC**	HMT Lessee Sub I LLC	100	0
CCMH Jacksonville LLC**	HMT Lessee Sub I LLC	100	0
CCMH Kansas City AP LLC**	HMT Lessee Sub III LLC	100	0
CCMH Key Bridge LLC**	HMT Lessee Sub III LLC	100	0
CCMH Lenox LLC**	HMT Lessee Sub II LLC	100	0
CCMH Manhattan Beach LLC**	HMT Lessee Sub IV LLC	100	0
CCMH Marina LLC**	HMT Lessee Sub IV LLC	100	0
CCMH McDowell LLC**	HMT Lessee Sub IV LLC	100	0
CCMH Memphis LLC**	HMT Lessee Sub I LLC	100	0
CCMH Metro Center LLC**	HMT Lessee Sub II LLC	100	0

PART II: NON-GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
CCMH Miami AP LLC**	HMT Lessee Sub II LLC	100	0
CCMH Minneapolis LLC**	HMT Lessee Sub I LLC	100	0
CCMH Moscone LLC**	HMT Lessee Sub I LLC	100	0
CCMH Nashua LLC**	HMT Lessee Sub II LLC	100	0
CCMH Newark LLC**	HMT Lessee Sub II LLC	100	0
CCMH Newport Beach LLC**	HMT Lessee Sub III LLC	100	0
CCMH Newport Beach Suites LLC**	HMT Lessee Sub II LLC	100	0
CCMH Newton LLC**	HMT Lessee Sub III LLC	100	0
CCMH Norcross LC**	HMT Lessee Sub I LLC	100	0
CCMH Norfolk LLC**	HMT Lessee Sub II LLC	100	0
CCMH O’Hare AP LLC**	HMT Lessee Sub III LLC	100	0
CCMH O’Hare Suites LLC**	HMT Lessee Sub I LLC	100	0
CCMH Oklahoma City LLC**	HMT Lessee Sub I LLC	100	0
CCMH Ontario AP LLC**	HMT Lessee Sub III LLC	100	0
CCMH Orlando LLC**	HMT Lessee Sub IV LLC	100	0
CCMH Palm Beach LLC**	HMT Lessee Sub III LLC	100	0
CCMH Palm Desert LLC**	HMT Lessee Sub III LLC	100	0
CCMH Park Ridge LLC**	HMT Lessee Sub I LLC	100	0
CCMH Pentagon RI LLC**	HMT Lessee Sub I LLC	100	0

PART II: NON-GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
CCMH Perimeter LLC**	HMT Lessee Sub IV LLC	100	0
CCMH Philadelphia AP LLC**	HMT Lessee Sub III LLC	100	0
CCMH Philadelphia Mkt LLC**	HMT Lessee Sub II LLC	100	0
CCMH Plaza San Antonio LLC**	HMT Lessee Sub I LLC	100	0
CCMH Portland LLC**	HMT Lessee Sub IV LLC	100	0
CCMH Potomac LLC**	HMT Lessee Sub I LLC	100	0
CCMH Properties II LLC**	HMT Lessee Sub (Properties II) LLC	100	0
CCMH Quorum LLC**	HMT Lessee Sub II LLC	100	0
CCMH Raleigh LLC**	HMT Lessee Sub I LLC	100	0
CCMH Riverwalk LLC**	HMT Lessee Sub II LLC	100	0
CCMH Rocky Hill LLC**	HMT Lessee Sub I LLC	100	0
CCMH Romulus LLC**	HMT Lessee Sub II LLC	100	0
CCMH Salt Lake LLC**	HMT Lessee Sub I LLC	100	0
CCMH San Diego LLC**	HMT Lessee Sub (SDM Hotel) LLC	100	0
CCMH San Fran AP LLC**	HMT Lessee Sub III LLC	100	0
CCMH Santa Clara LLC**	HMT Lessee Sub (Santa Clara) LLC	100	0
CCMH Scottsdale Suites LLC**	HMT Lessee Sub III LLC	100	0
CCMH South Bend LLC**	HMT Lessee Sub II LLC	100	0
CCMH Tampa AP LLC**	HMT Lessee Sub I LLC	100	0

PART II: NON-GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
CCMH Tampa Waterside LLC**	HMT Lessee Sub I LLC	100	0
CCMH Tampa Westshore LLC**	HMT Lessee Sub I LLC	100	0
CCMH Times Square LLC**	HMT Lessee Sub I LLC	100	0
CCMH Torrance LLC**	HMT Lessee Sub IV LLC	100	0
CCMH Waterford LLC**	HMT Lessee Sub II LLC	100	0
CCMH Westfields LLC**	HMT Lessee Sub IV LLC	100	0
CCMH Williamsburg LLC**	HMT Lessee Sub II LLC	100	0
CCMH World Trade Ctr LLC**	HMT Lessee Sub II LLC	100	0
CCRC Amelia Island LLC**	HMT Lessee Sub II LLC	100	0
CCRC Atlanta LLC**	HMT Lessee Sub II LLC	100	0
CCRC Buckhead/Naples LLC**	HMT Lessee Sub IV LLC	100	0
CCRC Dearborn LLC**	HMT Lessee Sub II LLC	100	0
CCRC Marina LLC**	HMT Lessee Sub III LLC	100	0
CCRC Naples Golf LLC**	HMT Lessee Sub IV LLC	100	0
CCRC Phoenix LLC**	HMT Lessee Sub III LLC	100	0
CCRC San Francisco LLC**	HMT Lessee Sub III LLC	100	0
CCRC Tysons LLC**	HMT Lessee Sub IV LLC	100	0
CCSH Atlanta LLC**	HMT Lessee Sub IV LLC	100	0
CCSH Boston LLC**	HMT Lessee Sub I LLC	100	0

PART II: NON-GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
CCSH Chicago LLC**	HMT Lessee Sub III LLC	100	0
CCSH New York LLC**	HMT Lessee Sub III LLC	100	0
CHLP Finance LP†	Chesapeake Financial Services LLC (1% GP, 94% LP), Crestline Capital Corporation (unaffiliated) (5% LP)	95	0
CLDH Meadowvale Inc.**	HMT Lessee Sub II LLC	100	0
CLMH Airport Inc. **	HMT Lessee Sub I LLC	100	0
CLMH Calgary Inc. **	HMT Lessee Sub I LLC	100	0
CLMH Eaton Centre Inc.**	HMT Lessee Sub I LLC	100	0
DS Hotel LLC†	HMC DSM LLC	99.99	.01
East Side Hotel Associates, L.P.†	HMC East Side II LLC (99% LP), HMC East Side LLC (1% GP)	99.99	.01
Elcrisa S.A. De C.V. †	Marriott Mexico City Partnership, G.P(65% Common), Hotelera del Polanco S.A. De C.V. (unaffliliated) (35% Common), Aeropuerto Shareholder, Inc. (unaffiliated) (45.1% Preferred), HMC Airport, Inc. (54.9% Preferred)	34.06% Common, 54.9% Preferred	0
Fernwood Hotel Assets, Inc. **	Fernwood Hotel LLC	100	0
Fernwood Atlanta Corporation**	Fernwood Hotel Assets, Inc.	100	0
Fernwood Holdings LLC**	Fernwood Hotel Assets, Inc.	100	0
G.L. Insurance Corporation**	Rockledge Hotel Properties, Inc.	100	0

PART II: NON-GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
HMA Realty Limited Partnership†	Ivy Street Hotel Limited Partnership (99%), HMA-GP LLC (1% GP)	99.982	.018
HMA-GP LLC†	Ivy Street Hotel Limited Partnership (99%), HMC Atlanta Marquis, Inc. (1%)	98.992	1.008
HMC Airport, Inc. **	Rockledge Hotel Properties, Inc.	100	0
HMC Burlingame Hotel LLC†	HTKG Development Associates Limited Partnership	99.99	.01
HMC Burlingame II LLC†	HMC Burlingame LLC (99% member), Holdings (1% member)	99	1
HMC Cambridge LLC*	HMC BCR Holdings LLC	100	0
HMC DSM LLC†	Host DMS Limited Partnership	99.99	.01
HMC Duna, Inc. **	Rockledge Hotel Properties, Inc.	100	0
HMC East Side LLC†	HMC East Side II LLC (99% member), Hanover Hotel Acquisition Corp. (1% member)	99	1
HMC Hotel Properties II Limited Partnership†	HMC Properties II LLC (99% LP), HMC MHP II LLC (1% GP)	99.99	.01
HMC Hotel Properties Limited Partnership†	HMC Properties I LLC (98% LP, 1% GP), HMC Partnership Properties LLC (1% LP)	99.99	.01
HMC McDowell LLC*	HMC McDowell Mountains LLC	100	0
HMC McDowell Mountains LLC*	U.S. Borrower	100	0
HMC MHP II LLC†	HMC Properties II LLC (99%), HMC MHP II, Inc. (1%)	99	1
HMC Naples Golf, Inc.**	Rockledge Hotel Properties, Inc.	100	0
HMC Park Ridge II LLC†	HMC Park Ridge LLC (99% member), Holdings (1% member)	99	1

PART II: NON-GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
HMC Park Ridge LP†	HMC Park Ridge LLC (98% LP, 1% GP), HMC Park Ridge II LLC (1% LP)	99.99	.01
HMC Partnership Properties LLC†	HMC HPP LLC (99% managing member), Holdings (1% non-managing member)	99	1
HMC Reston LLC*	HMC BCR Holdings LLC	100	0
HMC Swiss La Fayette LLC††	BRE/Swiss L.L.C.	100	0
HMC Times Square Hotel LLC†	Times Square HMC Hotel, L.P.	99.99939	.00061
HMC Times Square Partner LLC†	U.S. Borrower (99%), MHP Acquisition Corp. (1%)	99	1
HMC Toronto Air Company*	HMC Toronto Airport LP	100	0
HMC Toronto EC Company*	HMC Toronto EC LP	99.99	.01
HMC Waterford LLC ††	U.S. Borrower	100	0
HMC/Interstate Waterford LLC ††	HMC Waterford LLC (1% GP, 74% LP), U.S. Borrower (25% LP)	100	0
HMC/RGI Hartford, L.P.*	U.S. Borrower (99% LP), HMC Hartford LLC (1% GP)	100	0
HMH HPT CBM LLC*	U.S. Borrower	100	0
HMH HPT RIBM LLC*	U.S. Borrower	100	0
HMH Realty Company, Inc.**	Rockledge Hotel Properties, Inc.	100	0
HMT Lessee LLC**	HMT Lessee Parent LLC	100	0
HMT Lessee Sub (Atlanta) LLC**	HMT Lessee Sub III LLC	100	0

PART II: NON-GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
HMT Lessee Sub (Palm Desert) LLC**	HMT Lessee Sub III LLC	100	0
HMT Lessee Sub (Properties) LLC**	HMT Lessee Sub IV LLC	100	0
HMT Lessee Sub (Santa Clara) LLC**	HMT Lessee Sub IV LLC	100	0
HMT Lessee Sub (SDM Hotel) LLC**	HMT Lessee Sub I LLC	100	0
HMT Lessee Sub I LLC**	HMT Lessee LLC	100	0
HMT Lessee Sub II LLC**	HMT Lessee LLC	100	0
HMT Lessee Sub III LLC**	HMT Lessee LLC	100	0
HMT Lessee Sub IV LLC**	HMT Lessee LLC	100	0
HMT SPE (Atlanta) Corporation**	HMT Lessee LLC	100	0
HMT SPE (Palm Desert) Corporation**	HMT Lessee LLC	100	0
HMT SPE (Properties II) Corporation**	HMT Lessee LLC	100	0
HMT SPE (Santa Clara) Corporation**	HMT Lessee LLC	100	0
Hopewell Associates L.P. †	U.S. Borrower (99.99% LP), HMC Partnership Properties LLC (0.01% GP)	99.99	.0001
Host DSM Limited Partnership†	HMC Desert LLC (98% LP, 1% GP), HMC Partnership Properties LLC (1% LP)	99.99	.01
Host Hanover Limited Partnership†	HMC Hanover LLC (98% LP, 1% GP), HMC Partnership Properties LLC (1% LP)	99.99	.01
Hot Shoppes, Inc. **	Rockledge Hotel Properties, Inc.	100	0

PART II: NON-GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
HTKG Development Associates Limited Partnership†	HMC Burlingame LLC (1% GP), HMC BCR Holdings LLC (98% LP), HMC Burlingame II LLC (1% LP)	99.99	.01
IHP Holdings Partnership, L.P.†	HMH General Partner Holdings LLC (1.00544% GP), HMC IHP Holding LLC (96.52308% LP), DS Glory USA Inc. (unaffiliated) (0.6704% LP), Ungen Enterprise Co., Inc. (unaffiliated) (0.6704% LP), Konishi Realty Inc. (unaffiliated) (0.44933% LP), Miki & Miho Associates USA, Inc. (unaffiliated) (0.6704% LP),	47.7955	0
Ivy Street Hotel Limited Partnership†	Atlanta II Limited Partnership (80% GP), Ivy Street LLC (14.9% LP), Hopewell, Ltd. (5.1% LP)	99.992	.008
JWDC Limited Partnership†	HMC JWDC GP LLC (1.8324% GP), HMC JWDC LLC (89.7875 % LP), Rockledge Square 254 LLC (not look through) (8.3801% LP)	50	0
Lauderdale Beach Association†	HMC Hotel Properties Limited Partnership (50.5% GP), RV/C Association (unaffiliated) (49.5% GP)	50.495	.005
Marriott Mexico City Partnership	HMC Airport, Inc. (52.4% GP) Aeropuerto Shareholder, Inc. (unaffiliated) (47.6%)	52.4	0
Mutual Benefit Chicago Suite Hotel Partners, L.P.†	HMC Chicago LLC (98% LP, 1% GP), HMC Partnership Properties LLC (1% LP)	99.99	.01
Pacific Gateway, Ltd.†	HMC Pacific Gateway LLC (1.173% LP) HMC Gateway LLC (79.025 LP), S.D. Hotels LLC (9.77% GP), Torrey Hotel Enterprises, Ltd. (unaffiliated) (2.931% LP), Interhotel Company, Ltd. (unaffiliated) (7.1%), Douglas F. Manchester (unaffiliated) (.001% LP)	51	0

PART II: NON-GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
Philadelphia Airport Hotel Limited Partnership†	Philadelphia Airport Hotel LLC (0.1% GP), U.S. Borrower (88.9% capital, 98.9% profits LP), Philadelphia Airport Hotel Corporation (1% profit, 11% capital LP)	89	11
Philadelphia Market Street HMC Hotel Limited Partnership†	New Market Street LP (0.1% GP, 62.9% capital, 72.9% profits Class B LP and 12.75% Class C LP), U.S. Borrower (11% Class B LP), Philadelphia Market Street Hotel Corporation (1% profit, 11% capital Class B LP), Synterra Partners, L.P. (unaffiliated) (2.25% Class A LP)	86.75	11
Philadelphia Market Street Marriott Hotel II Limited Partnership†	Market Street Host LLC (.5% GP), Marriott Market Street Hotel, Inc. (unaffiliated) (99% LP), Philadelphia Market Street HMC Hotel Limited Partnership (.5% LP)	1	0
RIBM One LLC**	Rockledge Hotel Properties, Inc. (99% member), U.S. Borrower (1%)	100	0
RIBM Two LLC**	Rockledge Hotel Properties, Inc. (98%), Rockledge RIBM Two Corporation (1%), U.S. Borrower (1%)	100	0
Rockledge Bickford's Family Fare, Inc. **	Rockledge Hotel Properties, Inc.	100	0
Rockledge CBM Investor I, Inc. **	Rockledge Hotel Properties, Inc.	100	0
Rockledge CBM Investor II LLC**	Rockledge Hotel Properties, Inc.	100	0
Rockledge CBM One Corporation**	Rockledge Hotel Properties, Inc.	100	0
Rockledge FIBM One Corporation**	Rockledge Hotel Properties, Inc.	100	0
Rockledge Hanover LLC**	Rockledge Hotel Properties, Inc.	100	0
Rockledge HMC BN LLC**	Rockledge Hotel Properties, Inc.	100	0

PART II: NON-GUARANTOR SUBSIDIARIES

Entity	Direct Owner(s)	% Owned by U.S. Borrower (indirectly or directly)	% Owned by Holdings (indirectly or directly) other than through U.S. Borrower
Rockledge Hotel Properties, Inc**	Rockledge Hotel LLC	100	0
Rockledge Insurance Company (Cayman) Ltd.**	U.S Borrower	100	0
Rockledge Manhattan Beach LLC**	Rockledge Hotel Properties, Inc.	100	0
Rockledge Minnesota LLC**	Rockledge Hotel Properties, Inc.	100	0
Rockledge NY Times Square LLC**	Rockledge Hotel Properties, Inc.	100	0
Rockledge Potomac LLC**	Rockledge Hotel Properties, Inc.	100	0
Rockledge RIBM Two Corporation**	Rockledge Hotel Properties, Inc.	100	0
Rockledge Riverwalk LLC**	Rockledge Hotel Properties, Inc.	100	0
Rockledge Square 254 LLC**	Rockledge Hotel Properties, Inc.	100	0
Santa Clara Host Hotel Limited Partnership†	HMC MHP II LLC (1% GP), Marriott Hotel Properties II Limited Partnership (50% LP), Santa Clara HMC LLC (49% LP)	99.985	.015
Sparky's Virgin Island, Inc. **	HMH Realty Company, Inc.	100	0
Timeport, L.P.†	HMC Times Square Partner LLC (1% GP), Times Square LLC (99% LP)	99.99	.01
Times Square HMC Hotel, L.P.†	Times Square LLC (91.8% LP), Timeport, Ltd. (2.5% LP), Timewell Group, Ltd. (3.6% LP), Times Square GP LLC (2.1% GP)	99.99939	.00061
Timewell Group, Ltd.†	HMC Times Square Partner LLC (1% GP), Times Square LLC (99% LP)	99.99	.01

Notes:

* Entities indicated with an asterisk cannot be guarantors of the Credit Facility due to contractual restrictions.

† Entities indicated with a single dagger cannot be guarantors of the Credit Facility because they are not Wholly-Owned Subsidiaries that are Look-Through Subsidiaries.

†† Entities indicated with a double dagger cannot be guarantors of the Credit Facility because their only assets consist of $5,000 or less in cash.

** Entities indicated with a double asterisk cannot be guarantors of the Credit Facility because they are a Taxable REIT Subsidiary or a subsidiary of a Taxable REIT Subsidiary.

PART III: PLEDGED STATUS OF CAPITAL STOCK OR EQUITY INTEREST LISTED ON PART I AND PART II OF THIS SCHEDULE IV

Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
Airport Hotels LLC	*U.S. Borrower*	Pledged	
Ameliatel, a Florida GP (Florida)	*HMC Amelia I LLC* *HMC Amelia II LLC*	Pledged	
Atlanta II Limited Partnership	HMC Atlanta LLC (98% LP, 1% GP), HMC Partnership Properties LLC(1% LP)	Not Pledged	Not look-through
Beachfront Properties, Inc.	Sparky's Virgin Island, Inc.	Not Pledged	Not look-through (TRS)
BRE/Swiss L.L.C.	HMC Swiss Holdings LLC	Not Pledged	Indebtedness
Calgary Charlotte Partnership (Nova Scotia)	HMC Charlotte (Calgary) Company (80% GP), HMC Grace (Calgary) Company (20% GP)	Not Pledged	Contractual Restrictions
CB Realty Sales, Inc.	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
CBM One Holdings LLC	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
CCC CMBS Corporation	HMT Lessee LLC	Not Pledged	Not look - through (TRS)
CCES Chicago LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCFH Maui LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCFS Atlanta LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCFS Philadelphia LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)

PART III: PLEDGED STATUS OF CAPITAL STOCK OR EQUITY INTEREST LISTED ON PART I AND PART II OF THIS SCHEDULE IV

Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
CCHH Atlanta LLC	HMT Lessee Sub III LLC	Not Pledged	Not look - through (TRS)
CCHH Burlingame LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCHH Cambridge LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCHH Maui LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCHH Reston LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCHI Singer Island LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH Atlanta Marquis LLC	HMT Lessee Sub (Atlanta) LLC	Not Pledged	Not look-through (TRS)
CCMH Atlanta NW LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCMH Atlanta Suites LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Bethesda LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Charlotte LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Chicago CY LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Copley LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Coronado LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)

PART III: PLEDGED STATUS OF CAPITAL STOCK OR EQUITY INTEREST LISTED ON PART I AND PART II OF THIS SCHEDULE IV

Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
CCMH Costa Mesa Suites LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Dallas/FW LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH DC LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Deerfield Suites LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Denver SE LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Denver Tech LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCMH Denver West LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH Diversified LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCMH Downer’s Grove Suites LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCMH Dulles AP LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Dulles Suites LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Farmington LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Fin Center LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Fisherman’s Wharf LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)

PART III: PLEDGED STATUS OF CAPITAL STOCK OR EQUITY INTEREST LISTED ON PART I AND PART II OF THIS SCHEDULE IV

Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
CCMH Ft. Lauderdale LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Gaithersburg LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Hanover LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Houston AP LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Houston Galleria LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH IHP LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Jacksonville LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Kansas City AP LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Key Bridge LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Lenox LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH Manhattan Beach LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCMH Marina LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCMH McDowell LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCMH Memphis LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)

PART III: PLEDGED STATUS OF CAPITAL STOCK OR EQUITY INTEREST LISTED ON PART I AND PART II OF THIS SCHEDULE IV

Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
CCMH Metro Center LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH Miami AP LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH Minneapolis LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Moscone LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Nashua LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH Newark LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH Newport Beach LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Newport Beach Suites LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH Newton LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Norcross LC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Norfolk LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH O’Hare AP LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH O’Hare Suites LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Oklahoma City LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)

PART III: PLEDGED STATUS OF CAPITAL STOCK OR EQUITY INTEREST LISTED ON PART I AND PART II OF THIS SCHEDULE IV

Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
CCMH Ontario AP LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Orlando LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCMH Palm Beach LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Palm Desert LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Park Ridge LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Pentagon RI LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Perimeter LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCMH Philadelphia AP LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Philadelphia Mkt LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH Plaza San Antonio LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Portland LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCMH Potomac LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Properties II LLC	HMT Lessee Sub (Properties II) LLC	Not Pledged	Not look-through (TRS)
CCMH Quorum LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)

PART III: PLEDGED STATUS OF CAPITAL STOCK OR EQUITY INTEREST
LISTED ON PART I AND PART II OF THIS SCHEDULE IV

Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
CCMH Raleigh LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Riverwalk LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH Rocky Hill LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Romulus LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH Salt Lake LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH San Diego LLC	HMT Lessee Sub (SDM Hotel) LLC	Not Pledged	Not look-through (TRS)
CCMH San Fran AP LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH Santa Clara LLC	HMT Lessee Sub (Santa Clara) LLC	Not Pledged	Not look-through (TRS)
CCMH Scottsdale Suites LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCMH South Bend LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH Tampa AP LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Tampa Waterside LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Tampa Westshore LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCMH Times Square LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)

PART III: PLEDGED STATUS OF CAPITAL STOCK OR EQUITY INTEREST
LISTED ON PART I AND PART II OF THIS SCHEDULE IV

Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
CCMH Torrance LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCMH Waterford LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH Westfields LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCMH Williamsburg LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCMH World Trade Ctr LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCRC Amelia Island LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCRC Atlanta LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCRC Buckhead/Naples LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCRC Dearborn LLC	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CCRC Marina LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCRC Naples Golf LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCRC Phoenix LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCRC San Francisco LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCRC Tysons LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)

PART III: PLEDGED STATUS OF CAPITAL STOCK OR EQUITY INTEREST
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Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
CCSH Atlanta LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
CCSH Boston LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CCSH Chicago LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
CCSH New York LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
Chesapeake Financial Services LLC	*U.S. Borrower*	Pledged	
Chesapeake Hotel Limited Partnership	*HMC PLP LLC* *U.S. Borrower*	Pledged	
CHLP Finance LP	Chesapeake Financial Services LLC (1% GP, 94% LP), Crestline Capital Corporation (unaffiliated) (5% LP)	Not Pledged	Not look-through
City Center Hotel Limited Partnership (Minnesota)	*U.S. Borrower* *Host La Jolla LLC*	Pledged	
CLDH Meadowvale Inc.	HMT Lessee Sub II LLC	Not Pledged	Not look-through (TRS)
CLMH Airport Inc.	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CLMH Calgary Inc.	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
CLMH Eaton Centre Inc.	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
DS Hotel LLC	HMC DSM LLC	Not Pledged	Not look-through

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Durbin LLC	*U.S. Borrower*	Pledged	
East Side Hotel Associates, L.P.	HMC East Side II LLC (99% LP), HMC East Side LLC (1% GP)	Not Pledged	Not look-through
Elcrisa S.A. De C.V.	Marriott Mexico City Partnership, G.P(65% Common), Hotelera del Polanco S.A. De C.V. (unaffliliated) (35% Common), Aeropuerto Shareholder, Inc. (unaffiliated) (45.1% Preferred), HMC Airport, Inc. (54.9% Preferred)	Not Pledged	Partnership with third party partners
Farrell's Ice Cream Parlour Restaurants LLC	*U.S. Borrower*	Pledged	
Fernwood Hotel Assets, Inc.	Fernwood Hotel LLC	Not Pledged	Not look-through (TRS)
Fernwood Atlanta Corporation	Fernwood Hotel Assets, Inc.	Not Pledged	Not look-through (TRS)
Fernwood Holdings LLC	Fernwood Hotels Assets, Inc.	Not Pledged	Not look-through (TRS)
Fernwood Hotel LLC	*U.S. Borrower*	Pledged	
G.L. Insurance Corporation	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
HMA Realty Limited Partnership	Ivy Street Hotel Limited Partnership (99%), HMA-GP LLC (1% GP)	Not Pledged	Not look-through
HMA-GP LLC	Ivy Street Hotel Limited Partnership (99%), HMC Atlanta Marquis, Inc. (1%)	Not Pledged	Not look-through
HMC Airport, Inc.	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
HMC Amelia I LLC	*U.S. Borrower*	Pledged	
HMC Amelia II LLC	*U.S. Borrower*	Pledged	

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Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
HMC AP Canada Company (Nova Scotia)	*HMC AP LP*	Pledged	
HMC AP GP LLC	*U.S. Borrower*	Pledged	
HMC AP LP	*HMC AP GP LLC (.01% GP)* *U.S. Borrower (99.99% LP)*	Pledged	
HMC Atlanta LLC	*U.S. Borrower*	Pledged	
HMC BCR Holdings LLC	*U.S. Borrower*	Not Pledged	Indebtedness
HMC Burlingame Hotel LLC	HTKG Development Associates Limited Partnership	Not Pledged	Not look-through
HMC Burlingame II LLC	HMC Burlingame LLC (99% member), Holdings (1% member)	Not Pledged	Not look-through
HMC Burlingame LLC	HMC BCR Holdings LLC	Not Pledged	Indebtedness
HMC Cambridge LLC	HMC BCR Holdings LLC	Not Pledged	Indebtedness
HMC Capital LLC	*U.S. Borrower*	Pledged	
HMC Capital Resources LLC	*U.S. Borrower* *HMC Capital LLC*	Pledged	
HMC Charlotte (Calgary) Company (Nova Scotia)	HMC Charlotte LP	Not Pledged	Contractual Restrictions
HMC Charlotte LP	HMC Charlotte GP LLC	Not Pledged	Contractual Restrictions
HMC Chicago LLC	*U.S. Borrower*	Pledged	
HMC Copley LLC	*U.S. Borrower*	Pledged	

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Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
HMC Desert LLC	*U.S. Borrower*	Pledged	
HMC Diversified American Hotels, L.P.	*HMC Diversified LLC* *HMC HPP LLC* *U.S. Borrower*	Pledged	
HMC Diversified LLC	*U.S. Borrower*	Pledged	
HMC DSM LLC	Host DMS Limited Partnership	Not Pledged	Not look-through
HMC Duna, Inc.	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
HMC East Side II LLC	*U.S. Borrower*	Pledged	
HMC East Side LLC	HMC East Side II LLC (99% member), Hanover Hotel Acquisition Corp. (1% member)	Not Pledged	Not look-through
HMC Gateway LLC	*U.S. Borrower*	Not Pledged	Indebtedness
HMC Georgia LLC	*U.S. Borrower*	Pledged	
HMC Grace (Calgary) Company (Nova Scotia)	HMC Charlotte Calgary Company	Not Pledged	Contractual Restrictions
HMC Grand LLC	*U.S. Borrower*	Pledged	
HMC Hanover LLC	*U.S. Borrower*	Not Pledged	Indebtedness
HMC Hartford LLC	*U.S. Borrower*	Pledged	
HMC Headhouse Funding LLC	*U.S. Borrower*	Pledged	
HMC Host Restaurants LLC	*U.S. Borrower*	Pledged	

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HMC Hotel Development LLC	*U.S. Borrower*	Pledged	
HMC Hotel Properties II Limited Partnership	HMC Properties II LLC (99% LP), HMC MHP II LLC (1% GP)	Not Pledged	Not look-through
HMC Hotel Properties Limited Partnership	HMC Properties I LLC (98% LP, 1% GP), HMC Partnership Properties LLC (1% LP)	Not Pledged	Not look-through
HMC HPP LLC	*U.S. Borrower*	Pledged	
HMC HT LLC	*U.S. Borrower*	Pledged	
HMC IHP Holdings LLC	*U.S. Borrower*	Pledged	
HMC JWDC GP LLC	*U.S. Borrower*	Not Pledged	Indebtedness
HMC JWDC LLC	*U.S. Borrower*	Pledged	
HMC Lenox LLC	*U.S. Borrower*	Pledged	
HMC Manhattan Beach LLC	*U.S. Borrower*	Pledged	
HMC Market Street LLC	*U.S. Borrower*	Not Pledged	Indebtedness
HMC Maui LLC	*U.S. Borrower*	Pledged	
HMC McDowell LLC	HMC McDowell Mountains LLC	Not Pledged	Indebtedness
HMC McDowell Mountains LLC	*U.S. Borrower*	Not Pledged	Indebtedness
HMC Mexpark LLC	*U.S. Borrower*	Pledged	
HMC MHP II LLC	HMC Properties II LLC (99%), HMC MHP II, Inc. (1%)	Not Pledged	Not look-through
HMC Naples Golf, Inc.	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
HMC NGL LLC	*U.S. Borrower*	Pledged	

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HMC OLS I L.P.	*HMC OLS I LLC* *U.S. Borrower*	Pledged	
HMC OLS I LLC	*U.S. Borrower*	Pledged	
HMC OLS II L.P.	*HMC OLS I L.P.* *HMC OLS I LLC*	Pledged	
HMC OP BN LLC	*U.S. Borrower*	Not Pledged	Indebtedness
HMC Pacific Gateway LLC	*U.S. Borrower*	Not Pledged	Indebtedness
HMC Palm Desert LLC	*U.S. Borrower*	Pledged	
HMC Park Ridge II LLC	HMC Park Ridge LLC (99% member), Holdings (1% member)	Not Pledged	Not look-through
HMC Park Ridge LLC	*HMC Capital Resources LLC*	Pledged	
HMC Park Ridge LP	HMC Park Ridge LLC (98% LP, 1% GP), HMC Park Ridge II LLC (1% LP)	Not Pledged	Not look-through
HMC Partnership Properties LLC	HMC HPP LLC (99% managing member), Holdings (1% non-managing member)	Not Pledged	Not look-through
HMC PLP LLC	*U.S. Borrower*	Pledged	
HMC Polanco LLC	*HMC Mexpark LLC*	Pledged	
HMC Potomac LLC	*U.S. Borrower*	Pledged	
HMC Properties I LLC	*U.S. Borrower*	Pledged	
HMC Properties II LLC	*U.S. Borrower*	Pledged	
HMC Property Leasing LLC	*U.S. Borrower*	Pledged	
HMC Reston LLC	HMC BCR Holdings LLC	Not Pledged	Indebtedness

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Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
HMC Retirement Properties L.P.	*U.S. Borrower* *Durbin LLC*	Pledged	
HMC SBM Two LLC	*U.S. Borrower*	Pledged	
HMC Seattle LLC	*U.S. Borrower*	Pledged	
HMC SFO LLC	*U.S. Borrower*	Pledged	
HMC Suites Limited Partnership	*HMC Suites LLC* *HMC Capital Resources LLC*	Pledged	
HMC Suites LLC	*HMC Capital Resources LLC*	Pledged	
HMC Swiss Holdings LLC	*U.S. Borrower*	Pledged	
HMC Swiss La Fayette LLC	BRE/Swiss L.L.C.	Not Pledged	Parent cannot be Pledgor
HMC Times Square Hotel LLC	Times Square HMC Hotel, L.P.	Not Pledged	Not look-through
HMC Times Square Partner LLC	*U.S. Borrower (99%)*, MHP Acquisition Corp. (1%)	Not Pledged	Contractual Restrictions
HMC Toronto Air Company (Nova Scotia)	HMC Toronto Airport LP	Not Pledged	Contractual Restrictions
HMC Toronto Airport GP LLC	HMC Toronto Airport LP	Not Pledged	Contractual Restrictions
HMC Toronto Airport LP	HMC Toronto Airport GP LLC (.01% GP), *U.S. Borrower. (99.99% LP)*	Not Pledged	Contractual Restrictions
HMC Toronto EC Company (Nova Scotia)	HMC Toronto EC LP	Not Pledged	Contractual Restrictions
HMC Waterford LLC	*U.S. Borrower*	Pledged	

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Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
HMC/Interstate Manhattan Beach, L.P.	*HMC Manhattan Beach LLC* *U.S. Borrower*	Pledged	
HMC/Interstate Waterford, L.P.	HMC Waterford LLC *U.S. Borrower*	Not Pledged	Contractual Restrictions
HMC/RGI Hartford, L.P.	*U.S. Borrower (99% LP)*, HMC Hartford LLC (1% GP)	Not Pledged	Contractual Restrictions
HMH General Partner Holdings LLC	*U.S. Borrower*	Pledged	
HMH HPT CBM LLC	*U.S. Borrower*	Not Pledged	Already pledged to HPT
HMH HPT RIBM LLC	*U.S. Borrower*	Not Pledged	Already pledged to HPT
HMH Marina LLC	*HMC Retirement Properties L.P.*	Pledged	
HMH Norfolk LLC	*U.S. Borrower*	Pledged	
HMH Norfolk, L.P.	HMH Norfolk LLC *U.S. Borrower*	Not Pledged	Contractual Restrictions
HMH Pentagon LLC	*U.S. Borrower*	Pledged	
HMH Realty Company, Inc.	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
HMH Restaurants LLC	*U.S. Borrower*	Pledged	
HMH Rivers LLC	*U.S. Borrower*	Pledged	
HMH Rivers, L.P.	*HMH Rivers LLC (1% GP), U.S. Borrower (99%LP)*	Pledged	

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HMH WTC LLC	*U.S. Borrower*	Pledged	
HMT Lessee LLC	HMT Lessee Parent LLC	Not Pledged	Not look-through (TRS)
HMT Lessee Parent LLC	*U.S. Borrower*	Pledged	
HMT Lessee Sub (Atlanta) LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
HMT Lessee Sub (Palm Desert) LLC	HMT Lessee Sub III LLC	Not Pledged	Not look-through (TRS)
HMT Lessee Sub (Properties) LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
HMT Lessee Sub (Santa Clara) LLC	HMT Lessee Sub IV LLC	Not Pledged	Not look-through (TRS)
HMT Lessee Sub (SDM Hotel) LLC	HMT Lessee Sub I LLC	Not Pledged	Not look-through (TRS)
HMT Lessee Sub I LLC	HMT Lessee LLC	Not Pledged	Not look-through (TRS)
HMT Lessee Sub II LLC	HMT Lessee LLC	Not Pledged	Not look-through (TRS)
HMT Lessee Sub III LLC	HMT Lessee LLC	Not Pledged	Not look-through (TRS)
HMT Lessee Sub IV LLC	HMT Lessee LLC	Not Pledged	Not look-through (TRS)
HMT SPE (Atlanta) Corporation	HMT Lessee LLC	Not Pledged	Not look-through (TRS)
HMT SPE (Palm Desert) Corporation	HMT Lessee LLC	Not Pledged	Not look-through (TRS)
HMT SPE (Properties II) Corporation	HMT Lessee LLC	Not Pledged	Not look-through (TRS)

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HMT SPE (Santa Clara) Corporation	HMT Lessee LLC	Not Pledged	Not look-through (TRS)
Hopewell Associates L.P.	*U.S. Borrower (99.99% LP)*, HMC Partnership Properties LLC (0.01% GP)	Not Pledged	Not look-through
Host DSM Limited Partnership	HMC Desert LLC (98% LP, 1% GP), HMC Partnership Properties LLC (1% LP)	Not Pledged	Not look-through
Host Hanover Limited Partnership	HMC Hanover LLC (98% LP, 1% GP), HMC Partnership Properties LLC (1% LP)	Not Pledged	Not look-through
Host La Jolla LLC	*U.S. Borrower*	Pledged	
Host of Boston, Ltd. (Massachusetts)	*Airport Hotels LLC* *U.S. Borrower*	Pledged	
Host of Houston 1979 (Texas)	*Airport Hotels LLC* *Host of Houston, Ltd. (Texas)*	Pledged	
Host of Houston, Ltd. (Texas)	*Airport Hotels LLC* *U.S. Borrower*	Pledged	
Host Park Ridge LLC	*HMC Capital Resources LLC*	Pledged	
Hot Shoppes, Inc.	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
HTKG Development Associates Limited Partnership	HMC Burlingame LLC (1% GP), HMC BCR Holdings LLC (98% LP), HMC Burlingame II LLC (1% LP)	Not Pledged	Not look-through

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IHP Holdings Partnership, L.P.	HMH General Partner Holdings LLC (1.00544% GP), HMC IHP Holding LLC (96.52308% LP, DS Glory USA Inc. (unaffiliated) (0.6704% LP), Ungen Enterprise Co., Inc. (unaffiliated) (0.6704% LP), Konishi Realty Inc. (unaffiliated) (0.933% LP), Miki & Miho Associates USA, Inc. (unaffiliated) (0.6704% LP),	Not Pledged	Partnership with third party partners
Ivy Street Hopewell LLC	*U.S. Borrower*	Pledged	
Ivy Street Hotel Limited Partnership	Atlanta II Limited Partnership (80% GP), Ivy Street LLC (14.9% LP), Hopewell Associates, L.P. (5.1% LP)	Not Pledged	Not look-through
Ivy Street LLC	*U.S. Borrower*	Pledged	
JWDC Limited Partnership	HMC JWDC GP LLC (1.8324% GP), HMC JWDC LLC (89.7875% LP), Rockledge Square 254 LLC (unaffiliated) (8.3801% LP)	Not Pledged	Not look-through
Lauderdale Beach Association	HMC Hotel Properties Limited Partnership (50.5% GP), RV/C Association (unaffiliated) (49.5% GP)	Not Pledged	Not look-through
Market Street Host LLC	*U.S. Borrower (97.2%LP), Host La Jolla LLC (1%GP, 1.8%LP)*	Not Pledged	Indebtedness
Marriott Mexico City Partnership	HMC Airport, Inc. (52.4% GP) Aeropuerto Shareholder, Inc. (unaffiliated) (47.6%)	Not Pledged	Partnership with third party partners
MDSM Finance LLC	*HMC Palm Desert LLC*	Pledged	
Mutual Benefit Chicago Suite Hotel Partners, L.P.	HMC Chicago LLC (98% LP, 1% GP), HMC Partnership Properties LLC (1% LP)	Not Pledged	Not look-through
New Market Street LP	*U.S. Borrower (99.9%LP)*, HMC Market Street LLC (0.1%GP)	Not Pledged	Indebtedness

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Pacific Gateway, Ltd.	HMC Pacific Gateway LLC (1.173% LP) HMC Gateway LLC (79.025 LP), S.D. Hotels LLC (9.77% GP), Torrey Hotel Enterprises, Ltd. (unaffiliated) (2.931% LP), Interhotel Company, Ltd. (unaffiliated) (7.1%), Douglas F. Manchester (unaffiliated) (.001% LP)	Not Pledged	Not look-through
Philadelphia Airport Hotel Limited Partnership	Philadelphia Airport Hotel LLC (0.1% GP), U.S. Borrower (88.9% capital, 98.9% profits LP), Philadelphia Airport Hotel Corporation (1% profit, 11% capital LP)	Not Pledged	Not look-through
Philadelphia Airport Hotel LLC	*U.S. Borrower*	Pledged	
Philadelphia Market Street HMC Hotel Limited Partnership	New Market Street LP (0.1% GP, 62.9% capital, 72.9% profits Class B LP and 12.75% Class C LP), U.S. Borrower (11% Class B LP), Philadelphia Market Street Hotel Corporation (1% profit, 11% capital Class B LP), Synterra Partners, L.P. (unaffiliated) (2.25% Class A LP)	Not Pledged	Not look-through
Philadelphia Market Street Marriott Hotel II Limited Partnership	Market Street Host LLC (.5% GP), Marriott Market Street Hotel, Inc. (unaffiliated) (99% LP), Philadelphia Market Street HMC Hotel Limited Partnership (.5% LP)	Not Pledged	Not look-through
PM Financial LLC	*U.S. Borrower*	Pledged	
PM Financial LP	*PM Financial LLC* *U.S. Borrower*	Pledged	
Potomac Hotel Limited Partnership	*HMC Potomac LLC* *HMC HPP LLC* *U.S. Borrower*	Pledged	
PRM LLC	*HMC Capital Resources LLC*	Pledged	
RIBM One LLC	Rockledge Hotel Properties, Inc. (99% member), *U.S. Borrower (1%)*	Not Pledged	Not look-through (TRS)

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Entity	Direct Owner(s) (Pledgor Entities Denoted in Italics: Non-italicized Entities are Not Pledgors)	Pledge Status of Entity	Reason Entity Not Pledged
RIBM Two LLC	Rockledge Hotel Properties, Inc. (98%), Rockledge RIBM Two Corporation (1%), U.S. Borrower (1%)	Not Pledged	Not look-through (TRS)
Rockledge Bickford's Family Fare, Inc.	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
Rockledge CBM Investor I, Inc.	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
Rockledge CBM Investor II LLC	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
Rockledge CBM One Corporation	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
Rockledge FIBM One Corporation	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
Rockledge Hanover LLC	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
Rockledge HMC BN LLC	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
Rockledge Hotel LLC	*U.S. Borrower*	Pledged	
Rockledge Hotel Properties, Inc	Rockledge Hotel LLC	Not Pledged	Not look-through (TRS)
Rockledge Insurance Company (Cayman) Ltd.	*U.S. Borrower*	Not Pledged	Not look-through (TRS)
Rockledge Manhattan Beach LLC	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
Rockledge Minnesota LLC	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
Rockledge NY Times Square LLC	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)

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Rockledge Potomac LLC	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
Rockledge RIBM Two Corporation	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
Rockledge Riverwalk LLC	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
Rockledge Square 254 LLC	Rockledge Hotel Properties, Inc.	Not Pledged	Not look-through (TRS)
S.D. Hotels LLC	*U.S. Borrower*	Not Pledged	Partnership Agreement; Indebtedness
Santa Clara HMC LLC	*U.S. Borrower*	Pledged	
Santa Clara Host Hotel Limited Partnership	HMC MHP II LLC (1% GP), Marriott Hotel Properties II Limited Partnership (50% LP), Santa Clara HMC LLC (49% LP)	Not Pledged	Not look-through
Sparky's Virgin Island, Inc.	HMH Realty Company, Inc.	Not Pledged	Not look-through (TRS)
Timeport, L.P.	HMC Times Square Partner LLC (1% GP), Times Square LLC (99% LP)	Not Pledged	Not look through
Times Square GP LLC	*U.S. Borrower*	Not Pledged	Indebtedness
Times Square HMC Hotel, L.P.	Times Square LLC (91.8% LP), Timeport, Ltd. (2.5% LP), Timewell Group, Ltd. (3.6% LP), Times Square GP LLC (2.1% GP)	Not Pledged	Not look-through
Times Square LLC	*Host La Jolla LLC*	Pledged	
Timewell Group, Ltd.	HMC Times Square Partner LLC (1% GP), Times Square LLC (99% LP)	Not Pledged	Not look through
Wellsford-Park Ridge HMC Hotel Limited Partnership	*Host Park Ridge LLC* *PRM LLC*	Pledged	
YBG Associates LLC	*HMC Capital Resources LLC*	Pledged	

Notes:

State of Organization is Delaware unless otherwise noted in parenthesis below entity.
Principal Place of Business for all entities is 6903 Rockledge Drive, Bethesda, MD 20817.

SCHEDULE C-1

CANADIAN FACILITY VALUATION DATES

Period	Quarter	Fiscal Calendar
	2004	
Period 9	Q3	Sep-10
Period 10		Oct-8
Period 11		Nov-5
Period 12		Dec-3
Fiscal Year End	Q4	Dec-31
	2005	
Period 1		Jan-28
Period 2		Feb-25
Period 3	Q1	Mar-25
Period 4		Apr-22
Period 5		May-20
Period 6	Q2	Jun-17
Period 7		Jul-15
Period 8		Aug-12
Period 9	Q3	Sep-9
Period 10		Oct-7
Period 11		Nov-4
Period 12		Dec-2
Fiscal Year End	Q4	Dec-31
	2006	
Period 1		Jan-27
Period 2		Feb-24
Period 3	Q1	Mar-24
Period 4		Apr-21
Period 5		May-19
Period 6	Q2	Jun-16
Period 7		Jul-14
Period 8		Aug-11
Period 9	Q3	Sep-8
Period 10		Oct-6
Period 11		Nov-3
Period 12		Dec-1
Fiscal Year End	Q4	Dec-31

	2007	
Period 1		Jan-26
Period 2		Feb-23
Period 3	Q1	Mar-23
Period 4		Apr-20
Period 5		May-18
Period 6	Q2	Jun-15
Period 7		Jul-13
Period 8		Aug-10
Period 9	Q3	Sep-7
Period 10		Oct-5
Period 11		Nov-2
Period 12		Nov-30
Fiscal Year End	Q4	Dec-31
	2008	
Period 1		Jan-25
Period 2		Feb-22
Period 3	Q1	Mar-21
Period 4		Apr-18
Period 5		May-16
Period 6	Q2	Jun-13
Period 7		Jul-11
Period 8		Aug-8
Period 9	Q3	Sep-5
Period 10		Oct-3
Period 11		Oct-31
Period 12		Nov-28
Fiscal Year End	Q4	Dec-31
	2009	
Period 1		Jan-30
Period 2		Feb-27
Period 3	Q1	Mar-27
Period 4		Apr-24
Period 5		May-22
Period 6	Q2	Jun-19
Period 7		Jul-17
Period 8		Aug-14
Period 9	Q3	Sep-11

SCHEDULE 8.20

INDEBTEDNESS

As of September 10, 2004

(in thousands)

Borrower	Description	Balance @ 09/10/2004
	Senior Notes	
Host Marriott, L.P.	Series B Senior Notes due 2008	$ 305,063
Host Marriott, L.P.	Series E Senior Notes due 2006	300,000
Host Marriott, L.P.	Series G Senior Notes due 2007	242,000
Host Marriott, L.P.	Series I Senior Notes due 2007	450,000
Host Marriott, L.P.	Series K Senior Notes due 2013	725,000
Host Marriott, L.P.	Series L Senior Notes due 2012	350,000
Host Marriott, L.P.	Exchangeable Debt	500,000
	Old Marriott Corporation Senior Notes	
Host Marriott, L.P.	Debentures	5,885
Host Marriott, L.P.	Series L	6,848
	Mortgage Debt	
BRE/Swiss LLC	CMBS	185,326
HMC Cambridge LLC	CMBS	46,765
HMC Reston LLC	CMBS	43,300
HMC Burlingame Hotel LLC	CMBS	65,817
Times Square HMC Hotel Limited Partnership	CMBS	234,689
HMC Hotel Properties II Limited Partnership	MHP II	183,922
HMC OP BN LLC	Ritz Carlton Note A – Naples & Buckhead	145,460
Pacific Gateway, Ltd.	San Diego	186,190
HMC Hotel Properties Limited Partnership	MHP – Orlando Mortgage & Construction Loan	222,894
HMA Realty Limited Partnership	Atlanta Marquis	146,113
Lauderdale Beach Association	MHP – Harbor Beach Mortgage & Construction Loan	92,018
DS Hotel LLC	Desert Springs Senior Loan	91,336
Copley One LLC	Boston Copley	89,644
JWDC Limited Partnership	JWDC	88,000
Philadelphia Market Street HMC Hotel Limited Partnership	Philadelphia Convention Center	81,091
Philadelphia Market Street Marriott Hotel II Limited Partnership	Philadelphia Headhouse	21,339
HMC Grand LLC	Four Seasons Atlanta	35,163
HMC Grand LLC	Four Seasons Atlanta Capital Loan	1,250
Santa Clara Host Hotel Limited Partnership	Santa Clara	35,958

HMC Toronto EC Company	Toronto Eaton Center	26,515
HMC Toronto Air Company	Toronto Airport	14,701
Calgary Charlotte Partnership	Calgary	13,225
HMC/RGI Hartford Limited Partnership	Hartford	19,895
HMC Polanco LLC & Elcrisa, S.A. de C.V.	Mexico	7,506
	Other Debt	
Philadelphia Airport Hotel Limited Partnership	Philadelphia Airport	40,000
Host Marriott, L.P.	Newark Airport	32,300
Host Marriott, L.P.	Dulles Airport	11,500
Host Marriott, L.P.	Partnership Buyout Note	3,066
Various	Capital Leases - Corporate Real Estate	1,375
Philadelphia Market Street HMC Hotel Limited Partnership	Philadelphia Convention Center Land Note	2,177
	Other Debt – FF&E Loans	
Lauderdale Beach Association	Harbor Beach	2,000
Various	Capital Lease Obligations	8,711

EXHIBIT A

FORM OF NOTICE OF BORROWING

[Date]

Deutsche Bank Trust Company Americas, as Administrative Agent
for the Lenders party to the Credit Agreement
referred to below
90 Hudson Street, 5th Floor
Jersey City, New Jersey 07302
Fax: (201) 593-2308

Attention: Mary Rodwell

Ladies and Gentlemen:

The undersigned, [Name of Borrower or Borrowers] (the "Borrower(s)"), refers to the Amended and Restated Credit Agreement, dated as of September 10, 2004 (as amended from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among Host Marriott, L.P., each Canadian Revolving Loan Borrower from time to time party thereto, various lenders from time to time party thereto (the "Lenders") and Deutsche Bank Trust Company Americas, as Administrative Agent for such Lenders, and, subject to the terms of Section 2.11(a) and (b) of the Credit Agreement, hereby gives you, as the Administrative Agent, irrevocable notice, pursuant to Section 2.03(a) of the Credit Agreement, that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required by Section 2.03(a) of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____, 20__ .[1]

(ii) The Proposed Borrowing shall consist of [Dollar Revolving A Loans][Canadian Revolving A Loans][Dollar Revolving B Loans][Canadian Revolving B Loans].

(iii) The aggregate [principal amount] [Face Amount][2] of the Proposed Borrowing is _____.[3]

(iv) The purpose of the Proposed Borrowing is _____.

---

[1] Shall be a Business Day at least one Business Day in the case of Base Rate Loans or Canadian Prime Rate Loans and three Business Days in the case of Eurodollar Loans or Bankers' Acceptance Loans, in each case after the date hereof.

[2] The aggregate Face Amount of the Bankers' Acceptances is to be included for a Proposed Borrowing of Canadian Revolving Loans maintained as Bankers' Acceptance Loans.

[3] Stated in the Applicable Currency.

(v) [The Dollar [Revolving][A][B] Loans to be made pursuant to the Proposed Borrowing shall be initially maintained as [Base Rate Loans] [Eurodollar Loans].][4]

(vi) [The initial Interest Period for the Proposed Borrowing is _____ month(s).][5]

(vii) [The Canadian Revolving [A][B] Loans to be made pursuant to the Proposed Borrowing shall be initially maintained as [Canadian Prime Rate Loans] [Bankers' Acceptance Loans].] [6]

(viii) term of the Proposed Borrowing is _____ days.][7]

[The

The undersigned hereby certifies that the following statements are true and correct on the date hereof, and will be true and correct on the date of the Proposed Borrowing:

(A) the representations and warranties contained in the Credit Agreement and in the other Credit Documents are and will be true and correct in all material respects, both before and after giving effect to the Proposed Borrowing and to the application of the proceeds thereof, as though made on such date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date);

(B) on the date of the Proposed Borrowing and also after giving effect thereto, no Default or Event of Default has occurred and is continuing and no Senior Note Indenture Default has occurred and is continuing; and

(C) at the time of the Proposed Borrowing after giving effect thereto, there exists no Default or Event of Default with respect to [(1) a Revolving Facility A Financial Covenant as of and for the most recently ended Test Period (calculated on a Pro Forma Basis as if the date of the Proposed Borrowing were the Determination Date, and after giving effect to the application of proceeds of such Proposed Borrowing (but only to the extent that such proceeds are applied on the date of such Proposed Borrowing)) and assuming that the Revolving Facility A Financial Covenants were then in effect] or [(2) a Revolving Facility B Financial Covenant as of and for the most recently ended Test Period (calculated on a Pro Forma Basis as if the date of the

---

4 To be included for a Proposed Borrowing of Dollar Revolving Loans.

5 To be included for a Proposed Borrowing of Eurodollar Loans.

6 To be included for a Proposed Borrowing of Canadian Revolving Loans.

7 To be included for a Proposed Borrowing of Canadian Revolving Loans maintained as Bankers' Acceptance Loans.

Proposed Borrowing were the Determination Date, and after giving effect to the application of proceeds of such Proposed Borrowing (but only to the extent that such proceeds are applied on the date of such Proposed Borrowing)) and assuming that the Revolving Facility B Financial Covenants were then in effect.][8]

(D) at the time of the Proposed Borrowing after giving effect thereto, the Leverage Ratio (computed on a Pro Forma Basis in accordance with Section 2.01(a)(vii) or 2.01(b)(vi), as applicable) will be _____.

Very truly yours,

[NAME OF BORROWER(S)]

By _____
Title:

[8] Include clause (1) only if a Revolving A Loan is requested and clause (2) only if a Revolving B Loan is requested.

EXHIBIT B-1

FORM OF DOLLAR REVOLVING NOTE

$_____ New York, New York

_____ __, 20__

FOR VALUE RECEIVED, HOST MARRIOTT, L.P. (the "Borrower"), hereby promises to pay to the order of _____ or its registered assigns (the "Lender"), in lawful money of the United States of America and in immediately available funds, at the appropriate Payment Office (as defined in the Credit Agreement referred to below) of Deutsche Bank Trust Company Americas (the "Administrative Agent") on the Maturity Date (as defined in the Credit Agreement) the principal sum of _____ DOLLARS ($_____) or, if less, the then unpaid principal amount of all Dollar Revolving Loans (as defined in the Credit Agreement) made by the Lender pursuant to the Credit Agreement.

The Borrower also promises to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 2.09 of the Credit Agreement.

This Note is one of the Dollar Revolving Notes referred to in the Amended and Restated Credit Agreement, dated as of September 10, 2004, among the Borrower, each Canadian Revolving Loan Borrower from time to time party thereto, the lenders from time to time party thereto (including the Lender) and Deutsche Bank Trust Company Americas, as Administrative Agent (as amended, modified or supplemented from time to time, the "Credit Agreement"), and is subject to the terms and conditions of, and entitled to the benefits of, the Credit Agreement and the other Credit Documents (as defined in the Credit Agreement). This Note is secured by the Security Documents (as defined in the Credit Agreement) and is entitled to the benefits of the Subsidiaries Guaranty (as defined in the Credit Agreement). This Note is subject to voluntary prepayment and mandatory repayment prior to the Maturity Date, in whole or in part, as provided in the Credit Agreement.

In case an Event of Default (as defined in the Credit Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be or may become due and payable in the manner and with the effect provided in the Credit Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

HOST MARRIOTT, L.P.
By: Host Marriott Corporation, its General Partner

By _____
Name
Title:

EXHIBIT B-2

FORM OF CANADIAN DOLLAR REVOLVING NOTE

Cdn_____ New York, New York

_____ __, 20__

FOR VALUE RECEIVED, [NAME OF CANADIAN REVOLVING LOAN BORROWER], a _____ corporation (the "Borrower"), hereby promises to pay to the order of _____or its registered assigns (the "Lender"), in lawful money of Canada and in immediately available funds (except as provided below), at the appropriate Payment Office (as defined in the Credit Agreement referred to below) of Deutsche Bank Trust Company Americas (the "Administrative Agent") on the Maturity Date (as defined in the Credit Agreement) the principal sum of _____ CANADIAN DOLLARS (Cdn _____) or, if less, the unpaid principal amount of all Canadian Revolving Loans (as defined in the Credit Agreement) made by the Lender pursuant to the Credit Agreement. Except as specifically provided in Section 2.17 of the Credit Agreement (which, in the circumstances provided therein, shall require payments to be made in U.S. Dollars as provided therein), all payments hereunder shall be made in Canadian Dollars.

The Borrower also promises to pay interest on the unpaid principal amount hereof in like money at said office from the date hereof until paid at the rates and at the times provided in Section 2.09 of the Credit Agreement.

This Note is one of the Canadian Dollar Revolving Notes referred to in the Amended and Restated Credit Agreement, dated as of September 10, 2004, among Host Marriott, L.P., the Borrower, each other Canadian Revolving Loan Borrower from time to time party thereto, the lenders from time to time party thereto (including the Lender) and Deutsche Bank Trust Company Americas, as Administrative Agent (as amended, modified or supplemented from time to time, the "Credit Agreement"), and is subject to the terms and conditions of, and entitled to the benefits of, the Credit Agreement and the other Credit Documents (as defined in the Credit Agreement). This Note is secured by the Security Documents (as defined in the Credit Agreement) and is entitled to the benefits of the Subsidiaries Guaranty (as defined in the Credit Agreement). This Note is subject to voluntary prepayment and mandatory repayment prior to the Revolving Loan Maturity Date, in whole or in part, as provided in the Credit Agreement.

In case an Event of Default (as defined in the Credit Agreement) shall occur and be continuing, the principal of and accrued interest on this Note may be declared to be or may become due and payable in the manner and with the effect provided in the Credit Agreement.

The Borrower hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

[NAME OF CANADIAN REVOLVING LOAN BORROWER]

By _____
Title:

EXHIBIT C

FORM OF LETTER OF CREDIT REQUEST

Dated 1

Deutsche Bank Trust Company Americas
Global Loan Operations, Standby Letter of Credit Unit
60 Wall Street, 38th Floor
New York, New York 10005 - MS NYC60-2708

Dear Sirs:

This request is being delivered to Deutsche Bank Trust Company Americas, individually and as Administrative Agent (in such capacity, the "Administrative Agent") under the Amended and Restated Credit Agreement, dated as of September 10, 2004, (as amended, modified or supplemented from time to time, the "Credit Agreement") among Host Marriott, L.P., each Canadian Revolving Loan Borrower from time to time party thereto, the Lenders from time to time party thereto and Deutsche Bank Trust Company Americas, as Administrative Agent. We hereby request that Deutsche Bank Trust Company Americas, in its individual capacity, issue a Letter of Credit for the account of the undersigned on 2 (the "Date of Issuance") in the aggregate stated amount of 3.

For purposes of this Letter of Credit Request, unless otherwise defined herein, all capitalized terms used herein which are defined in the Credit Agreement shall have the respective meaning provided therein.

The beneficiary of the requested Letter of Credit will be 4, and such Letter of Credit will be in support of 5 and will have a stated expiration date

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1 Date of Letter of Credit Request.

2 Date of Issuance which shall be at least 5 Business Days from the date hereof (or such shorter period as may be acceptable to the Issuing Bank).

3 Aggregate initial Stated Amount of Letter of Credit which shall not be less than $500,000 (or such lesser amount as is acceptable to the Issuing Bank).

4 Insert name and address of beneficiary.

5 Insert description of L/C Supportable Obligations.

of __6__. The requested Letter of Credit is hereby designated as a Letter of Credit __[A/B]__7.

We hereby certify that:

(1) The representations and warranties contained in the Credit Documents will be true and correct in all material respects on the Date of Issuance, both before and after giving effect to the issuance of the Letter of Credit requested hereby (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date).

(2) No Default or Event of Default has occurred and is continuing nor, after giving effect to the issuance of the Letter of Credit requested hereby, would such a Default or an Event of Default occur.

(3) No Senior Note Indenture Default has occurred and is continuing nor, after giving effect to the issuance of the Letter of Credit requested hereby, would such a Senior Note Indenture Default occur.

(4) On the Date of Issuance after giving effect to the issuance of the Letter of Credit, there will exist no Default or Event of Default with respect to [(a) a Revolving Facility A Financial Covenant as of and for the most recently ended Test Period (calculated on a Pro Forma Basis as if the Date of Issuance were the Determination Date, and after giving effect to the application of proceeds of such Credit Event (but only to the extent that such proceeds are applied on the Date of Issuance)) and assuming that the Revolving Facility A Financial Covenants were then in effect] or [(b) a Revolving Facility B Financial Covenant as of and for the most recently ended Test Period (calculated on a Pro Forma Basis as if the Date of Issuance were the Determination Date, and after giving effect to the application of proceeds of such Credit Event (but only to the extent that such proceeds are applied on the Date of Issuance)) and assuming that the Revolving Facility B Financial Covenants were then in effect]. [8]

(5) On the Date of Issuance after giving effect to the issuance of the Letter of Credit, the Leverage Ratio (computed on a Pro Forma Basis in accordance with Section 2.01(a)(vii) or 2.01(b)(vi), as applicable) will be _____.

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[6] Insert last date upon which drafts may be presented which may not be later than the date which occurs 12 months after the Date of Issuance or, if earlier, the tenth Business Day prior to the Maturity Date (although any Letter of Credit may be extendible for successive periods of up to 12 months, but not beyond the tenth Business Day prior to the Maturity Date (unless such Letter of Credit is cash collateralized on or before the Date of Issuance in accordance with Section 3.02(a) of the Credit Agreement), on terms acceptable to the Issuing Bank).

[7] Indicate the Tranche under which the Letter of Credit will be issued.

[8] Include clause (a) only if a Letter of Credit A is requested and clause (b) only if a Letter of Credit B is requested.

Information as to any special drawing conditions is as follows: _____.

HOST MARRIOTT, L.P.

By: Host Marriott Corporation, its General Partner

By _____

Name:
Title:

EXHIBIT D

SECTION 5.04(b)(ii) CERTIFICATE

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of September 10, 2004, among Host Marriott, L.P., each Canadian Revolving Loan Borrower from time to time party thereto, the Lenders from time to time party thereto and Deutsche Bank Trust Company Americas, as Administrative Agent (as amended, modified or supplemented from time to time, the "Credit Agreement"). Pursuant to the provisions of Section 5.04(b)(ii) of the Credit Agreement, the undersigned hereby certifies that it is not a "bank" as such term is used in Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended.

[NAME OF LENDER]

By: _____
Title:

Date: _____, _____

EXHIBIT E-1

September 10, 2004

To the Agent and
each of the Lenders
listed on Schedule I hereto

Re: Amended and Restated Credit Agreement dated as of September 10, 2004

Ladies and Gentlemen:

I am Executive Vice President and General Counsel of Host Marriott, L.P., a Delaware limited partnership (the "Company"), and in my capacity as such have acted as counsel to the Company and each U.S. subsidiary of the Company that is party to the Amended and Restated Subsidiaries Guaranty referred to below (collectively, the "U.S. Guarantors"), and have acted as special counsel to Calgary Charlotte Partnership, a Canadian partnership, HMC Toronto Air Company, a Canadian company, HMC Toronto EC Company, a Canadian company, HMC AP Canada Company, a Canadian company (collectively, the "Canadian Borrowers") and each Canadian subsidiary of the Company that is a party to the Amended and Restated Subsidiaries Guaranty (collectively the "Canadian Guarantors"), all in connection with the Amended and Restated Credit Agreement, dated as of September 10, 2004 (the "Amended and Restated Credit Agreement"), among the Company, the Canadian Borrowers, Deutsche Bank Trust Company Americas, as Administrative Agent (the "Agent"), Bank of America, N.A., as Syndication Agent, and the other agents and lenders from time to time party thereto (the "Lenders") and certain other Loan Documents (as hereinafter defined). (The Company, the Canadian Borrowers, the U.S. Guarantors and the Canadian Guarantors are sometimes collectively referred to as the "Credit Parties".) This opinion letter is furnished to you pursuant to the requirements set forth in Section 6.02 of the Amended and Restated Credit Agreement in connection with the closing thereunder on the date hereof. Capitalized terms used herein which are defined in the Amended and Restated Credit Agreement shall have the meanings set forth in the Amended and Restated Credit Agreement, unless otherwise defined herein.

For purposes of this opinion letter, I have examined photocopies of the following documents (the "Documents"):

1. Executed copy of the Amended and Restated Credit Agreement.

2. Executed copy of the Amended and Restated Pledge and Security Agreement.

3. Executed copy of the Amended and Restated Subsidiaries Guaranty.

4. The Certificate of Formation or the Certificate of Limited Partnership, as the case may be, of each Delaware Credit Party (as hereinafter defined), with amendments thereto.

5. The Limited Liability Company Agreement or the Agreement of Limited Partnership, as the case may be, of each Delaware Credit Party.

6. A certificate of good standing of each Delaware Credit Party listed on Schedule II hereto issued by the Secretary of State of the State of Delaware, dated the date as indicated for such Credit Party on Schedule II hereto.

7. Certain resolutions of the Board of Directors of Host Marriott Corporation, as general partner of the Company, adopted by unanimous written consent on August 31, 2004.

8. Certain resolutions adopted by unanimous written consent of the Board of Managers, or the Board of Managers of the general partner, as applicable, of each Credit Party other than the Canadian Borrowers and the Canadian Guarantors, dated September 1, 2004.

The documents referred to in Paragraphs 1 through 3 above are sometimes hereinafter referred to collectively as the "Loan Documents." The following U.S. Guarantors are sometimes referred to collectively as the "Non-Delaware U.S. Credit Parties": (i) Ameliatel; (ii) Host of Boston, Ltd.; (iii) Host of Houston, Ltd., (iv) Host of Houston 1979; and (v) City Center Hotel Limited Partnership. The Company and the U.S. Guarantors, other than the Non-Delaware U.S. Credit Parties, are sometimes referred to collectively as the "Delaware Credit Parties".

In my examination of the Loan Documents and the other Documents, I have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all of the Documents, the authenticity of all originals of the Documents and the conformity to authentic originals of all of the Documents submitted to me as copies (including telecopies). As to matters of fact relevant to the opinions expressed herein, I have relied on the representations and statements of fact made in the Documents, I have not independently established the facts so relied on, and I have not made any investigation or inquiry other than my examination of the Documents. This opinion letter is given, and all statements herein are made, in the context of the foregoing.

For purposes of this opinion letter, I have assumed that (i) each Loan Document constitutes a valid and binding obligation of each party thereto enforceable against each such party in accordance with their respective terms, (ii) there has been no mutual mistake of fact or misunderstanding or fraud, duress or undue influence in connection with the negotiation, execution or delivery of the Loan Documents, and the conduct of all parties to the Loan Documents has complied with any requirements of good faith, fair dealing and conscionability, (iii) there are and have been no agreements or understandings among the parties, written or oral, and there is and has been no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of the Loan Documents, and (iv) there is nothing in the laws of Canada or any other law not covered by this opinion letter that is relevant to the opinions expressed below. I have also assumed the validity and constitutionality of each relevant statute, rule, regulation and agency action covered by this opinion letter.

For purposes of the opinions set forth in Paragraph (c) below, I have made the following further assumptions: (i) that all orders, judgments, decrees, agreements and contracts would be enforced as written; and (ii) that all parties to the Loan Documents will act in accordance with, and will refrain from taking any action that is forbidden by, the terms and conditions of the Loan Documents.

This opinion letter is based as to matters of law solely on applicable provisions of the following, as currently in effect: (i) the Delaware Limited Liability Company Act, as amended (the "Delaware LLC Act"), (ii) the Delaware Uniform Limited Partnership Act, as amended (the "Delaware Limited Partnership Act"), and (iii) as to the opinions given in Paragraph (d) below, except to the extent excluded below, federal statutes and regulations; provided, however, that I express no opinion as to United States federal securities, antitrust, unfair competition, banking, or tax laws or regulations; and further provided that, with respect to clause (iii) above, the opinions expressed herein are based on a review of those laws, statutes and regulations that, in my experience, are generally recognized as applicable to the transactions contemplated by the Loan Documents. (The federal law identified in clause (iii) above, subject to the exclusions and limitations set forth above, is referred to herein as "Applicable Federal Law.") I express no opinion as to any other laws, statutes, rules or regulations not specifically identified above.

I am advised that, as to the matters relating to the Non-Delaware U.S. Credit Parties referenced in Paragraphs (a), (b) and (c) below, you are obtaining the opinion of Hogan & Hartson L.L.P. I am further advised that, as to the matters relating to the Canadian Borrowers and Canadian Guarantors referenced in Paragraphs (a), (b) and (c) below, you are obtaining the opinions of Blake, Cassels & Graydon LLC and Cox Hanson O'Reilly Matheson.

Based upon, subject to and limited by the foregoing, I am of the opinion that:

(a) Each Delaware Credit Party is validly existing under the laws of the State of Delaware as a limited partnership or limited liability company, as the case may be, as of the date of the certificate listed for such Credit Party on Schedule II hereto.

(b) Each Delaware Credit Party has the limited partnership or limited liability company power, as the case may be, to execute, deliver and perform the Loan Documents to which it is a party. The execution, delivery and performance by each Delaware Credit Party of the Loan Documents to which it is a party have been duly authorized by all necessary limited partnership or limited liability company action, as the case may be, of such Delaware Credit Party. Each Delaware Credit Party has duly executed and delivered each of the Loan Documents to which it is a party.

(c) The execution, delivery and performance as of the date hereof by each Delaware Credit Party of the Loan Documents to which it is party do not (i) in the case of each such party that is a partnership, violate the certificate of limited partnership of such party, the partnership agreement of such party or the Delaware Limited Partnership Act, (ii) in the case of each such party that is a limited liability company, violate the certificate of formation of such party, the limited liability company agreement of such party, or the Delaware LLC Act.

(d) No approval or consent of, or registration or filing with, any federal or state government agency is required to be obtained or made by the Credit Parties under Applicable Federal Law in connection with the execution, delivery and performance as of the date hereof by the Credit Parties of the Loan Documents other than filings to perfect the liens and security interests created by the Loan Documents.

My opinions expressed in Paragraph (c) above are subject to the qualification that certain organizational documents described in such Paragraph (c) may impose restrictions or prescribe consequences applicable to an exercise by the Agent of its rights to enforce the UCC security interests granted pursuant to the Amended and Restated Pledge and Security Agreement, but that such restrictions and consequences are not implicated by the execution, delivery or performance as of the date hereof by any Delaware Credit Party of the Loan Documents to which it is a party.

I hereby confirm to you that, to my knowledge, there are no actions, suits or proceedings pending or overtly threatened in writing against any Credit Party, or in which any Credit Party is a party, before any court or governmental department, commission, board, bureau, agency or instrumentality that question the validity of the Amended and Restated Credit Agreement or any action taken or to be taken pursuant thereto, or that seek to enjoin or otherwise prevent the consummation of the transactions contemplated by the Amended and Restated Credit Agreement or to recover in damages or obtain other relief as a result thereof.

I assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this opinion letter. This opinion letter has been prepared solely for your use in connection with the closing under the Amended and Restated Credit Agreement on the date hereof, and should not be quoted in whole or in part or otherwise be referred to, and should not be filed with or furnished to any governmental agency or other person or entity, without my prior written consent, except that the entities that become Lenders pursuant to an assignment of an interest in the Commitments and Loans pursuant to Section 14.03 of the Amended and Restated Credit Agreement may rely upon this opinion letter (it being understood that this opinion letter speaks only as of the date hereof, and that no reliance by such entities will have any effect on the scope, phrasing or originally intended use of this opinion letter). Notwithstanding the immediately preceding sentence, each Lender may furnish a copy of this opinion letter (i) to any accountants, auditors and legal or other representatives of such Lender, (ii) to any governmental entity that has regulatory or supervisory authority over such Lender or pursuant to legal process or as otherwise required by law or regulation, or (iii) in connection with any judicial proceeding involving the transactions contemplated by the Loan Documents.

Very truly yours,

Elizabeth A. Abdoo
Executive Vice President and
General Counsel

SCHEDULE I

Lenders

Deutsche Bank Trust Company Americas

Bank of America, N.A.

Citicorp North America, Inc.

Société Générale

Calyon New York Branch

Goldman Sachs Credit Partners L.P.

The Bank of New York

Bear Stearns Corporate Lending Inc.

Wachovia Bank, National Association

The Bank of Nova Scotia

Canadian Lenders

Deutsche Bank AG Canada Branch

Bank of America, N.A. (Canada Branch)

Citibank, N.A. Canadian Branch

The Bank of Nova Scotia

SCHEDULE II

Certificates of Good Standing

	U.S. Entity	Certificate of Good Standing (Delaware)
1.	Airport Hotels LLC	August 9, 2004
2.	Chesapeake Financial Services LLC	August 19, 2004
3.	Durbin LLC	August 9, 2004
a.	HMC Retirement Properties, L.P.	August 9, 2004
i.	HMH Marina LLC	August 19, 2004
4.	Farrell's Ice Cream Parlour Restaurants LLC	August 19, 2004
5.	Fernwood Hotel LLC	August 19, 2004
6.	HMC Amelia I LLC	August 19, 2004
7.	HMC Amelia II LLC	August 19, 2004
8.	HMC AP GP LLC	August 9, 2004
a.	HMC AP LP	August 9, 2004
9.	HMC Atlanta LLC	August 19, 2004
10.	HMC BCR Holdings LLC	August 19, 2004
a.	HMC Burlingame LLC	August 19, 2004
11.	HMC Capital LLC	August 9, 2004
a.	HMC Capital Resources LLC	August 9, 2004
i.	HMC Park Ridge LLC	August 19, 2004

U.S. Entity	Certificate of Good Standing (Delaware)
ii. Host Park Ridge LLC	August 9, 2004
(1) Wellsford-Park Ridge HMC Hotel Limited Partnership	August 19, 2004
iii. HMC Suites LLC	August 9, 2004
(1) HMC Suites Limited Partnership	August 19, 2004
iv. PRM LLC	August 19, 2004
v. YBG Associates LLC	August 19, 2004
12. HMC Charlotte GP LLC	August 19, 2004
a. HMC Charlotte LP	August 19, 2004
13. HMC Chicago LLC	August 19, 2004
14. HMC Copley LLC	August 19, 2004
15. HMC Desert LLC	August 19, 2004
16. HMC Diversified LLC	August 19, 2004
a. HMC Diversified American Hotels, L.P.	August 19, 2004
17. HMC East Side II LLC	August 19, 2004
18. HMC Gateway LLC	August 19, 2004
19. HMC Georgia LLC	August 19, 2004
20. HMC Grand LLC	August 19, 2004
21. HMC Hanover LLC	August 19, 2004
22. HMC Hartford LLC	August 19, 2004
23. HMC Headhouse Funding LLC	August 19, 2004
24. HMC Host Restaurants LLC	August 19, 2004
25. HMC Hotel Development LLC	August 19, 2004
26. HMC HPP LLC	August 19, 2004
27. HMC HT LLC	August 19, 2004

U.S. Entity	Certificate of Good Standing (Delaware)
28. HMC IHP Holdings LLC	August 19, 2004
29. HMC JWDC GP LLC	August 19, 2004
30. HMC JWDC LLC	August 19, 2004
31. HMC Lenox LLC	August 19, 2004
32. HMC Manhattan Beach LLC	August 9, 2004
a. HMC/Interstate Manhattan Beach, L.P.	August 19, 2004
33. HMC Market Street LLC	August 19, 2004
a. New Market Street LP	August 19, 2004
34. HMC Maui LLC	August 19, 2004
35. HMC Mexpark LLC	August 9, 2004
a. HMC Polanco LLC	August 19, 2004
36. HMC NGL LLC	August 19, 2004
37. HMC OLS I LLC	August 9, 2004
a. HMC OLS I L.P.	August 19, 2004
i. HMC OLS II L.P.	August 19, 2004
38. HMC OP BN LLC	August 19, 2004
39. HMC Palm Desert LLC	August 9, 2004
a. MDSM Finance LLC	August 19, 2004
40. HMC Pacific Gateway LLC	August 19, 2004
41. HMC PLP LLC	August 9, 2004
a. Chesapeake Hotel Limited Partnership	August 19, 2004
42. HMC Potomac LLC	August 19, 2004
a. Potomac Hotel Limited Partnership	August 19, 2004

U.S. Entity	Certificate of Good Standing (Delaware)
43. HMC Properties I LLC	August 19, 2004
44. HMC Properties II LLC	August 19, 2004
45. HMC Property Leasing LLC	August 19, 2004
46. HMC SBM Two LLC	August 19, 2004
47. HMC Seattle LLC	August 19, 2004
48. HMC SFO LLC	August 19, 2004
49. HMC Swiss Holdings LLC	August 19, 2004
50. HMC Toronto Airport GP LLC	August 19, 2004
a. HMC Toronto Airport LP	August 19, 2004
51. HMC Toronto EC GP LLC	August 19, 2004
a. HMC Toronto EC LP	August 19, 2004
52. HMH General Partner Holdings LLC	August 19, 2004
53. HMH Norfolk LLC	August 19, 2004
a. HMH Norfolk, L.P.	August 19, 2004
54. HMH Pentagon LLC	August 19, 2004
55. HMH Restaurants LLC	August 19, 2004
56. HMH Rivers LLC	August 19, 2004
a. HMH Rivers, L.P.	August 19, 2004
57. HMH WTC LLC	August 19, 2004
58. HMT Lessee Parent LLC	August 19, 2004
59. Host La Jolla LLC	August 19, 2004
a. Times Square LLC	August 19, 2004
60. Ivy Street LLC	August 19, 2004
61. Ivy Street Hopewell LLC	August 19, 2004

U.S. Entity	Certificate of Good Standing (Delaware)
62. Market Street Host LLC	August 19, 2004
63. Philadelphia Airport Hotel LLC	August 19, 2004
64. PM Financial LLC	August 9, 2004
a. PM Financial LP	August 19, 2004
65. Rockledge Hotel LLC	August 19, 2004
66. Santa Clara HMC LLC	August 19, 2004
67. S.D. Hotels LLC	August 19, 2004
68. Times Square GP LLC	August 19, 2004

EXHIBIT E-2

September 10, 2004

To the Agent and each of
the Lenders listed
on Schedule I hereto

Re: Amended and Restated Credit Agreement dated as of September 10, 2004

Ladies and Gentlemen:

This firm has acted as counsel to Host Marriott, L.P., a Delaware limited partnership (the "Company"), Calgary Charlotte Partnership, a Canadian partnership, HMC AP Canada Company, a Canadian company, HMC Toronto Air Company, a Canadian company, HMC Toronto EC Company, a Canadian company (collectively, the "Canadian Borrowers"), each U.S. subsidiary of the Company listed on Schedule II hereto (collectively, the "U.S. Guarantors"), and each of Calgary Charlotte Holdings Company, a Canadian company, HMC Charlotte (Calgary) Company, a Canadian company, HMC Grace (Calgary) Company, a Canadian company (together with HMC AP Canada Company, collectively the "Canadian Guarantors", and together with the U.S. Guarantors, the Company and the Canadian Borrowers, the "Credit Parties"), in connection with the Amended and Restated Credit Agreement, dated as of September 10, 2004 (the "Credit Agreement"), among the Company, the Canadian Borrowers, Deutsche Bank Trust Company Americas, as Administrative Agent (in such capacity and in its capacity as Collateral Agent, the "Agent"), Bank of America, N.A., as Syndication Agent, and the other agents and lenders from time to time party thereto (the "Lenders") , which provides, among other things, for loans to the Company and the Canadian Borrowers in an aggregate principal amount of Five Hundred Seventy Five Million Dollars ($575,000,000) and the execution and delivery pursuant thereto of certain other Loan Documents (as hereinafter defined). This opinion letter is furnished to you pursuant to the requirements set forth in Section 6.02 of the Credit Agreement in connection with the closing thereunder on the date hereof. Capitalized terms used herein which are defined in the Credit Agreement shall have the meanings set forth in the Credit Agreement, unless otherwise defined herein. The term "UCC" as used herein means Articles 1, 8 and 9 of the Uniform Commercial Code as in effect on the date hereof in Delaware, New York and Texas, as applicable.

For purposes of this opinion letter, we have examined photocopies of the following documents (the "Documents"):

9. Executed copy of the Credit Agreement.

10. Executed copy of the Amended and Restated Pledge and Security Agreement.

11. Executed copy of the Amended and Restated Subsidiaries Guaranty.

12. UCC-1 financing statement with respect to each Credit Party listed in the column under the heading "Pledgor" on Schedule III hereto (each, a "Pledgor"), which financing statement names such Pledgor as debtor and the Agent as secured party, and has been prepared for filing in the UCC records of the filing office specified on Schedule III hereto with respect to such Pledgor.

13. Forms of the Revolving Notes attached as Exhibits B-1 and B-2, to the Credit Agreement.

14. Certain agreements and contracts to which one or more of the Credit Parties are a party listed on Schedule IV hereto (collectively, the "Reviewed Agreements").

15. The Amended and Restated General Partnership Agreement of Ameliatel, a Florida general partnership ("Ameliatel"), dated January 20, 1998, between BRE/Amelia Partners L.P. and BRE/Amelia L.L.C., as amended by the First Amendment to Amended and Restated Partnership Agreement, effective as of December 31, 1998, between HMC Amelia I LLC and HMC Amelia II LLC, and as further amended by the Second Amendment to Amended and Restated Partnership Agreement, dated as of October 24, 2003, between HMC Amelia I LLC and HMC Amelia II LLC, as certified on the date hereof by the Secretary of Amelia I LLC and the Secretary of Amelia II LLC, the general partners of Ameliatel, as being complete, accurate and in effect.

16. Assignment and Assumption of Partnership Interests, dated as of December 30, 1998, between BRE/Amelia L.L.C. and Amelia II LLC, as certified on the date hereof by the Secretary of Amelia I LLC and the Secretary of Amelia II LLC, the general partners of Ameliatel, as being complete, accurate and in effect.

17. Assignment and Assumption of Partnership Interests, dated as of December 30, 1998, by and between BRE/Amelia Partners L.P. and Amelia I LLC, as certified on the date hereof by the Secretary of Amelia I LLC and the Secretary of Amelia II LLC, the general partners of Ameliatel, as being complete, accurate and in effect.

18. Certain resolutions of the Board of Managers of the general partners of Ameliatel, in their capacities as general partners of Ameliatel, adopted by unanimous consent dated September 1, 2004, as certified on the date hereof by the Secretary of Amelia I LLC and the Secretary of Amelia II LLC, the general partners of Ameliatel, as being complete, accurate and in effect.

19. The Certificate of Limited Partnership of Host of Boston, Ltd., a Massachusetts limited partnership ("Host of Boston"), with amendments thereto, as certified by the Secretary of the Commonwealth of the Commonwealth of Massachusetts on August 23, 2004, as on file with the Secretary of the Commonwealth of the Commonwealth of Massachusetts, and as certified by the Secretary of Airport Hotels LLC ("Airport Hotels"), the sole general partner of Host of Boston, as being complete, accurate and in effect on the date hereof.

20. The Agreement of Limited Partnership of Host of Boston, as amended by the Amendment to Agreement of Limited Partnership of Host of Boston, effective as of December 15, 1998, each as certified on the date hereof by the Secretary of Airport Hotels, the sole general partner of Host of Boston, as being complete, accurate and in effect.

21. Certain resolutions of the Board of Managers of Airport Hotels adopted by unanimous consent dated September 1, 2004, as certified on the date hereof by the Secretary of Airport Hotels, the sole general partner of Host of Boston, as being complete, accurate and in effect.

22. Certificate of Existence of Host of Boston issued by the Secretary of the Commonwealth of the Commonwealth of Massachusetts dated August 23, 2004.

23. The Certificate and Agreement of Limited Partnership of Host of Houston, Ltd., a Texas limited partnership ("Host of Houston"), as amended by the Amendment of Certificate and Agreement of Limited Partnership, each as certified by the Secretary of State of the State of Texas on August 9, 2004 as on file with the Office of the Secretary of State of the State of Texas, and each as certified by the Secretary of Airport Hotels, the sole general partner of Host of Houston, as being complete, accurate and in effect on the date hereof.

16. The Certificate and Agreement of Limited Partnership of Host of Houston, as amended by the Amendment to Partnership Agreement, dated December 28, 1998, each as certified by the Secretary of Airport Hotels, the sole general partner of Host of Houston, as being complete, accurate and in effect on the date hereof.

17. Certain resolutions of the Board of Managers of Airport Hotels adopted by unanimous consent dated September 1, 2004, as certified on the date hereof by the Secretary of Airport Hotels, the sole general partner of Host of Houston, as being complete, accurate and in effect.

18. Certificate of Existence of Host of Houston issued by the Office of the Secretary of State of the State of Texas dated August 9, 2004.

19. The Agreement of General Partnership of Host of Houston 1979, a Texas general partnership ("Houston 1979"), as amended by the Amendment to Partnership Agreement, effective as of December 15, 1998, each as certified on the date hereof by the Secretary of Airport Hotels, a general partner of Houston 1979 and the sole general partner of Host of Houston, which is the other general partner of Houston 1979, as being complete, accurate and in effect.

20. Certain resolutions of the Board of Managers of Airport Hotels adopted by unanimous consent dated September 1, 2004, as certified on the date hereof by the Secretary of Airport Hotels, a general partner of Houston 1979 and the sole General Partner of Host of Houston, which is the other general partner of Houston 1979, as being complete, accurate and in effect.

21. The Certificate of Limited Partnership of City Center Hotel Limited Partnership, a Minnesota limited partnership ("City Center"), with amendments thereto, as certified by the Secretary of State of the State of Minnesota on August 20, 2004 as on file with the Secretary of State of the State of Minnesota, and as certified by the Secretary of Host La Jolla LLC ("Host La Jolla"), the sole general partner of City Center, as being complete, accurate and in effect on the date hereof.

22. The Second Amended and Restated Limited Partnership Agreement of City Center, as amended by the Amendment of Partnership Agreement and Transfer of Limited Partnership Interest, dated as of December 29, 1995, among Host Marriott Corporation ("HMC"), Host International, Inc. and Host La Jolla, as further amended by Second Amendment to Second Amended and Restated Partnership Agreement, dated as of December 23, 1998, between Host La Jolla and HMC, as further amended by the Amendment to Agreement of Limited Partnership, dated as of December 27, 1998, by Host La Jolla and HMC, and as further amended by the Amendment to Agreement of Limited Partnership, dated as of December 28, 1998, among Host La Jolla, HMC and the Company, as certified on the date hereof by the Secretary of Host La Jolla, the sole general partner of City Center, as being complete, accurate and in effect.

23. Certain resolutions of the Board of Managers of Host La Jolla adopted by unanimous consent dated September 1, 2004, as certified on the date hereof by the Secretary of Host La Jolla, the sole general partner of City Center, as being complete, accurate and in effect.

24. Certificate of Good Standing of City Center issued by the Secretary of State of the State of Minnesota dated August 20, 2004.

25. A certificate of the Secretary of each U.S. Guarantor, including a certification as to the incumbency and signatures of certain officers of Amelia I LLC, Amelia II LLC, Airport Hotels and Host La Jolla.

26. A certificate of an officer of each Credit Party or, in the case of any Credit Party which is a partnership, of an officer of the general partner or the general partners, as applicable, of such Credit Party, dated the date hereof as to certain facts relating to such Credit Party.

The documents referred to in Paragraphs 1 through 3 above are sometimes hereinafter referred to collectively as the "Loan Documents." The financing statements described in Paragraph 4 above are sometimes hereinafter referred to collectively as the "Financing Statements," and all filing offices described in Schedule III hereto are sometimes hereinafter referred to collectively as the "Filing Offices." The following Credit Parties are sometimes hereinafter referred to collectively as the "Non-Delaware U.S. Credit Parties": (i) Ameliatel; (ii) Host of Boston; (iii) Host of Houston; (iv) Houston 1979; and (v) City Center.

In our examination of the Loan Documents and the other Documents, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all of the Documents, the authenticity of all originals of the Documents and the conformity to authentic originals of all of the Documents submitted to us as copies (including telecopies). As to matters of fact relevant to the opinions expressed herein, we have relied on the representations and statements of fact made in the Documents, we have not independently established the facts so relied on and we have not made any investigation or inquiry other than our examination of the Documents. This opinion letter is given, and all statements herein are made, in the context of the foregoing.

As used in this opinion letter, the phrase "to our knowledge" means the actual knowledge (that is, the conscious awareness of facts or other information) of lawyers currently in the firm who have given substantive legal attention to representation of the Credit Parties in connection with the Loan Documents.

For purposes of this opinion letter, we have assumed that (i) each party to the Loan Documents other than the Non-Delaware U.S. Credit Parties (including, without limitation, all of the Credit Parties other than the Non-Delaware U.S. Credit Parties) has all requisite power and authority under all applicable laws, regulations and governing documents to execute, deliver and perform its obligations under the Loan Documents to which it is a party and the Agent, each of the Lenders and each such other party has complied with all legal requirements pertaining to its status as such status relates to its rights to enforce the Loan Documents against the other parties thereto, (ii) each party to the Loan Documents other than the Non-Delaware U.S. Credit Parties (including, without limitation, all of the Credit Parties other than the Non-Delaware U.S. Credit Parties) has duly authorized, executed and delivered the Loan Documents to which it is a party, (iii) except as set forth in Paragraph (a) below, each party to the Loan Documents (including, without limitation, all of the Credit Parties) is validly existing and in good standing in all necessary jurisdictions, (iv) each Loan Document constitutes a valid and binding obligation of each party thereto (except any Credit Party) enforceable against each such party in accordance with its respective terms, (v) there has been no mutual mistake of fact or misunderstanding or fraud, duress or undue influence in connection with the negotiation, execution or delivery of the Loan Documents, and the conduct of all parties to the Loan Documents has complied with any requirements of good faith, fair dealing and conscionability, (vi) there are and have been no agreements or understandings among the parties, written or oral, and there is and has been no usage of trade or course of prior dealing among the parties that would, in either case, define,

supplement or qualify the terms of the Loan Documents and (vii) there is nothing in the laws of Canada or any other law not covered by this opinion letter that is relevant to the opinions expressed below. We are advised that, as to the matters referenced in clauses (i) through (iii) above, (1) with respect to the Credit Parties (other than the Non-Delaware U.S. Credit Parties, the Canadian Borrowers and the Canadian Guarantors), you are obtaining the opinion of the general counsel of HMC and its subsidiaries and (2) with respect to the Canadian Borrowers and the Canadian Guarantors, you are obtaining the opinions of Blake, Cassels & Graydon LLC and Cox Hanson O'Reilly Matheson. We have also assumed the validity of the determinations of the Board of Managers or other applicable governing body of each U.S. Guarantor and Canadian Guarantor concerning the necessity and convenience of the Subsidiaries Guaranty and the Pledge and Security Agreement, and have further assumed the value of the consideration received therefor. We have further assumed the validity and constitutionality of each relevant statute, rule, regulation and agency action covered by this opinion letter.

For the purposes of the opinion set forth in the second sentence of Paragraph (c) below, we have assumed that, pending the execution and delivery of each Revolving Note, all operative facts (and applicable law) will remain unchanged from those in existence on the date hereof.

For purposes of the opinions set forth in Paragraph (d) below, we have made the following further assumptions: (i) that all orders, judgments, decrees, agreements and contracts would be enforced as written; and (ii) that the Agent is not a restricted transferee as described on Schedule V hereto.

For purposes of the opinions set forth in Paragraph (e) below, we have made the following further assumptions: (i) that each of the Pledgors is a "registered organization," as such term is defined in Section 9-102(a)(70) of the UCC, organized under the law of the State indicated on Schedule II hereto; (ii) that pending the completion of the filings of the Financing Statements as set forth in Paragraph (e) below, all operative facts (and applicable law) will remain unchanged from those in existence on the date hereof; and (iii) that each of the Financing Statements will be duly filed in the applicable Filing Office as soon as practicable after the date hereof with all appropriate fees and recordings taxes (if any) paid.

For purposes of the opinion set forth in Paragraph (f) below, we have made the following further assumption, without any independent verification or investigation: that none of the Lenders is a broker or dealer under the Margin Regulations, defined below.

This opinion letter is based as to matters of law solely on applicable provisions of the following, as currently in effect: (i) as to the opinions expressed in Paragraphs (a), (b) and (d) below, the Florida Revised Uniform Partnership Act of 1995; the Massachusetts Uniform Limited Partnership Act; the Texas Revised Limited Partnership Act; the Texas Revised Partnership Act; and the Minnesota 1976 Uniform Limited Partnership Act; (ii) as to the opinions expressed in Paragraphs (c) and (d) below, except to the extent excluded below, internal laws of the State of New York (but not including any statutes, ordinances, administrative decisions, rules or regulations of any political subdivision of the State of New York); (iii) as to the opinions expressed in Paragraph (d) below, except to the extent excluded below, federal statutes and regulations; (iv) as to the opinions expressed in Paragraph (e) below, the UCC; (v) as to the opinions expressed in Paragraph (f) below, the Securities Exchange Act of 1934, as

amended (the "Exchange Act"), and Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 220, 221 and 224, respectively (the "Margin Regulations"); and (vi) as to the opinions expressed in Paragraph (g) below, the Investment Company Act of 1940, as amended, and the Public Utility Holding Company Act of 1935, as amended; provided, however, that the laws described above shall not include (and we express no opinion as to) federal or state securities, antitrust, unfair competition, banking, or tax laws or regulations except to the extent specifically identified in clauses (v) and (vi) above for purposes referred to in clauses (v) and (vi), respectively, only, and we express no opinion as to Canadian law or any other laws, statutes, rules or regulations not specifically identified above; and further provided that, with respect to clauses (ii) and (iii) above, the opinions expressed herein are based upon a review of those laws, statutes and regulations that, in our experience, are generally recognized as applicable to the transactions contemplated in the Loan Documents. (The law identified in clause (ii) above, subject to the exclusions and limitations set forth above, is referred to herein as "Applicable State Law" and the law identified in clause (iii) above, subject to the exclusions and limitations set forth above, is referred to as "Applicable Federal Law.")

Based upon, subject to and limited by the foregoing, we are of the opinion that:

(a) Host of Houston is validly existing as a limited partnership under the laws of the State of Texas as of the date of the certificate specified in Paragraph 18 above. Host of Boston is validly existing as a limited partnership under the laws of the Commonwealth of Massachusetts as of the date of the certificate specified in Paragraph 14 above. City Center is validly existing as a limited partnership under the laws of the State of Minnesota as of the date of the certificate specified in Paragraph 24 above.

(b) Each of the Non-Delaware U.S. Credit Parties has the partnership power to execute, deliver and perform the Loan Documents to which it is a party. The execution, delivery and performance by each of the Non-Delaware U.S. Credit Parties of the Loan Documents to which it is a party have been duly authorized by all necessary partnership action of such Non-Delaware U.S. Credit Party. The Loan Documents to which each of the Non-Delaware U.S. Credit Parties is a party have been duly executed and delivered on behalf of such Non-Delaware U.S. Credit Party.

(c) Each of the Loan Documents to which each Credit Party is a party constitutes a valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its terms. Each Revolving Note, when duly prepared and executed in accordance with the Credit Agreement and delivered to the applicable Lender, will constitute a valid and binding obligation of the applicable Borrower, enforceable against such Borrower in accordance with its terms.

(d) The execution, delivery and performance on the date hereof by each Credit Party of the Loan Documents to which it is party do not (i) violate any applicable provision of any Applicable Federal Law or Applicable State Law; (ii) to our knowledge, violate any court or administrative order, judgment or decree that names any Credit Party and is specifically directed to it or any of its property; (iii) breach or constitute a default, or result in the creation or imposition of any lien as of the date hereof, under any Reviewed Agreement to which such Credit Party is a party (except that we express no opinion as to compliance with any financial covenants in any such Reviewed Agreement); (iv) in the case of Ameliatel, violate the

partnership agreement of Ameliatel or the Florida Revised Uniform Partnership Act of 1995; (v) in the case of Host of Boston, violate the partnership agreement or the certificate of limited partnership of Host of Boston or the Massachusetts Uniform Limited Partnership Act; (vi) in the case of Host of Houston, violate the partnership agreement or the certificate of limited partnership of Host of Houston or the Texas Revised Limited Partnership Act; (vii) in the case of Houston 1979, violate the partnership agreement of Houston 1979 or the Texas Revised Partnership Act; or (viii) in the case of City Center, violate the certificate of limited partnership or the partnership agreement of City Center or the Minnesota 1976 Uniform Limited Partnership Act.

(e) The Pledge and Security Agreement creates in favor of the Agent a UCC security interest in the right, title and interest of each Pledgor in and to the membership interests or partnership interests in the entities specified on Schedule III hereto as being owned by such Pledgor (the "Collateral"). To the extent that such security interest in the right, title and interest of such Pledgor in and to the applicable Collateral can be perfected currently under the UCC by the filing of a financing statement, such security interest will be perfected by the timely filing of the applicable Financing Statement in the applicable Filing Office specified on Schedule III hereto.

(f) The Revolving Loans and the use of the proceeds of the Revolving Loans, each in accordance with the terms of the Credit Agreement, do not violate Section 7 of the Exchange Act or the Margin Regulations.

(g) None of the Credit Parties is (i) an "investment company," as such term is defined in the Investment Company Act of 1940, as amended, or (ii) subject to regulation as a "public utility company" or a "holding company," as such terms are defined in the Public Utility Holding Company Act of 1935, as amended.

In addition to the qualifications, exceptions and limitations elsewhere set forth in this opinion letter, the opinions expressed in Paragraph (c) above are subject to the qualification that certain rights, remedies, waivers and other provisions of the Loan Documents and Revolving Notes may not be enforceable in accordance with their terms, but, subject to the exceptions, qualifications and limitations set forth elsewhere in this opinion letter, such unenforceability would not render the Loan Documents invalid as a whole or preclude (i) the judicial enforcement of the obligations of the Company or the Canadian Borrowers to pay the principal of the Revolving Loans and interest thereon at the rate or rates (but not including any increase in rate after default) set forth therein or the obligations of the Company to reimburse the Issuing Bank for any payments made under a Letter of Credit, (ii) the acceleration by the Agent of the Company's or the Canadian Borrowers' obligation to pay such principal, together with such interest, after a default by the Company or the Canadian Borrowers (A) in the payment of such principal or interest, or (B) in the performance of any other obligation of the Company or the Canadian Borrowers in circumstances in which a court will provide a remedy, (iii) with regard to such security interests granted by the Company under the Pledge and Security Agreement as have been created in accordance with Article 9 of the Uniform Commercial Code, and assuming that the Agent will comply with all requirements of applicable procedural and substantive law, the enforcement of such security interests as provided in Article 9 of the Uniform Commercial Code after a default by the Company in the payment of such principal or interest at maturity or following acceleration pursuant to clause (ii) above, (iv) the judicial enforcement of the

obligations of the U.S. Guarantors under the Subsidiaries Guaranty to pay the principal of the Revolving Loans and interest thereon at the rate or rates (but not including any increase in rate after default) set forth in the Credit Agreement or to reimburse the Issuing Bank for any payments made under a Letter of Credit after a default by the Company or the Canadian Borrowers in the payment of such principal, interest or reimbursement for payments made under a Letter of Credit at maturity or following acceleration pursuant to clause (ii) above, or (v) with regard to such security interests granted by each Pledgor under the Pledge and Security Agreement as have been created in accordance with Article 9 of the Uniform Commercial Code, and assuming that the Agent will comply with all requirements of applicable procedural and substantive law, the enforcement of such security interests as provided in Article 9 of the Uniform Commercial Code after a default by the Company or the Canadian Borrowers in the payment of such principal, interest or reimbursement for payments made under a Letter of Credit at maturity or following acceleration pursuant to clause (ii) above; provided, however, that we express no opinion regarding the enforceability against the U.S. Guarantors and Canadian Guarantors of the Subsidiaries Guaranty or the Pledge and Security Agreement in the event of or with respect to (1) any modification to or amendment of the obligations of the Company or any Canadian Borrower under the Loan Documents that increases such obligations, or (2) any election of remedies, any act or omission by the Agent or its agents with respect to collateral, or any other conduct of the Agent or its agents, that in each case prejudices any U.S. Guarantor or Canadian Guarantor or constitutes a full or partial release or discharge of such U.S. Guarantor or Canadian Guarantor under applicable law.

Our opinions expressed in clauses (iii), (iv), (v), (vi), (vii) and (viii) of Paragraph (d) above are subject to the qualification that certain Reviewed Agreements and organizational documents described in such clauses may impose restrictions or prescribe consequences applicable to an exercise by the Agent of its rights to enforce the UCC security interests referred to in Paragraph (e) above, but that such restrictions and consequences are not implicated by the execution, delivery or performance as of the date hereof by any Credit Party of the Loan Documents to which it is a party. Our opinion expressed in clause (iii) of Paragraph (d) above is subject to the further qualification that certain of the Reviewed Agreements impose requirements of notice and/or a right of first refusal in favor of the non-Credit Party that is a party thereto prior to a transfer of a controlling interest in any such Credit Party, and we express no view as to the applicability of such provisions to the pledge of equity interests in any such Credit Party pursuant to the Pledge and Security Agreement.

In addition to the qualifications, exceptions and limitations elsewhere set forth in this opinion letter, our opinions expressed above are also subject to the effect of: (1) bankruptcy, insolvency, reorganization, receivership, moratorium and other laws affecting creditors' rights (including, without limitation, the effect of statutory and other law regarding fraudulent conveyances, fraudulent transfers and preferential transfers); (2) the exercise of judicial discretion and the application of principles of equity, good faith, fair dealing, reasonableness, conscionability and materiality (regardless of whether the applicable agreements are considered in a proceeding in equity or at law); and (3) generally applicable rules of law that limit or affect the enforceability of provisions that purport to waive or to require waiver of (or have the effect of waiving) procedural, judicial or substantive rights or defenses.

We assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this opinion letter. This opinion letter has been prepared solely for

your use in connection with the closing under the Credit Agreement on the date hereof, and should not be quoted in whole or in part or otherwise be referred to, and should not be filed with or furnished to any governmental agency or other person or entity, without the prior written consent of this firm, except that entities that become Lenders pursuant to an assignment of an interest in the Commitments and Revolving Loans pursuant to Section 14.03 of the Credit Agreement may rely upon this opinion letter (it being understood that this opinion letter speaks only as of the date hereof, and that no reliance by such entities will have any effect on the scope, phrasing or originally intended use of this opinion letter). Notwithstanding the immediately preceding sentence, each Lender may furnish a copy of this opinion letter (i) to any accountants, auditors and legal or other representatives of such Lender, (ii) to any governmental entity that has regulatory or supervisory authority over such Lender, or pursuant to legal process or as otherwise required by law or regulation, or (iii) in connection with any judicial proceeding involving the transactions contemplated by the Loan Documents.

Very truly yours,

HOGAN & HARTSON L.L.P.

SCHEDULE I

LENDERS

Deutsche Bank Trust Company Americas

Bank of America, N.A.

Citicorp North America Inc.

Société Générale

Calyon New York Branch

Goldman Sachs Credit Partners L.P.

The Bank of New York

Bear Stearns Corporate Lending Inc.

Wachovia Bank, National Association

The Bank of Nova Scotia

Deutsche Bank AG Canada Branch

Bank of America, N.A. (Canada Branch)

Citibank, N.A. Canadian Branch

Société Générale (Canada)

SCHEDULE II

U.S. GUARANTORS

U.S. Guarantor	Jurisdiction of Organization	Type of Entity
Airport Hotels LLC	Delaware	Limited liability company
Ameliatel	Florida	General partnership
Chesapeake Financial Services LLC	Delaware	Limited liability company
Chesapeake Hotel Limited Partnership	Delaware	Limited partnership
City Center Hotel Limited Partnership	Minnesota	Limited partnership
Durbin LLC	Delaware	Limited liability company
Farrell’s Ice Cream Parlour Restaurants LLC	Delaware	Limited liability company
Fernwood Hotel LLC	Delaware	Limited liability company
HMC Amelia I LLC	Delaware	Limited liability company
HMC Amelia II LLC	Delaware	Limited liability company
HMC AP GP LLC	Delaware	Limited liability company
HMC AP LP	Delaware	Limited partnership
HMC Atlanta LLC	Delaware	Limited liability company
HMC BCR Holdings LLC	Delaware	Limited liability company
HMC Burlingame LLC	Delaware	Limited liability company
HMC Capital LLC	Delaware	Limited liability company
HMC Capital Resources LLC	Delaware	Limited liability company
HMC Charlotte GP LLC	Delaware	Limited liability company
HMC Charlotte LP	Delaware	Limited partnership
HMC Chicago LLC	Delaware	Limited liability company
HMC Copley LLC	Delaware	Limited liability company

U.S. Guarantor	Jurisdiction of Organization	Type of Entity
HMC Desert LLC	Delaware	Limited liability company
HMC Diversified American Hotels, L.P.	Delaware	Limited partnership
HMC Diversified LLC	Delaware	Limited liability company
HMC East Side II LLC	Delaware	Limited liability company
HMC Gateway LLC	Delaware	Limited liability company
HMC Georgia LLC	Delaware	Limited liability company
HMC Grand LLC	Delaware	Limited liability company
HMC Hanover LLC	Delaware	Limited liability company
HMC Hartford LLC	Delaware	Limited liability company
HMC Headhouse Funding LLC	Delaware	Limited liability company
HMC Host Restaurants LLC	Delaware	Limited liability company
HMC Hotel Development LLC	Delaware	Limited liability company
HMC HPP LLC	Delaware	Limited liability company
HMC HT LLC	Delaware	Limited liability company
HMC IHP Holdings LLC	Delaware	Limited liability company
HMC JWDC GP LLC	Delaware	Limited liability company
HMC JWDC LLC	Delaware	Limited liability company
HMC Lenox LLC	Delaware	Limited liability company
HMC Manhattan Beach LLC	Delaware	Limited liability company
HMC Market Street LLC	Delaware	Limited liability company
HMC Maui LLC	Delaware	Limited liability company
HMC Mexpark LLC	Delaware	Limited liability company
HMC NGL LLC	Delaware	Limited liability company
HMC OLS I L.P.	Delaware	Limited partnership

U.S. Guarantor	Jurisdiction of Organization	Type of Entity
HMC OLS I LLC	Delaware	Limited liability company
HMC OLS II L.P.	Delaware	Limited partnership
HMC OP BN LLC	Delaware	Limited liability company
HMC Pacific Gateway LLC	Delaware	Limited liability company
HMC Palm Desert LLC	Delaware	Limited liability company
HMC Park Ridge LLC	Delaware	Limited liability company
HMC PLP LLC	Delaware	Limited liability company
HMC Polanco LLC	Delaware	Limited liability company
HMC Potomac LLC	Delaware	Limited liability company
HMC Properties I LLC	Delaware	Limited liability company
HMC Properties II LLC	Delaware	Limited liability company
HMC Property Leasing LLC	Delaware	Limited liability company
HMC Retirement Properties L.P.	Delaware	Limited partnership
HMC SBM Two LLC	Delaware	Limited liability company
HMC Seattle LLC	Delaware	Limited liability company
HMC SFO LLC	Delaware	Limited liability company
HMC Suites Limited Partnership	Delaware	Limited partnership
HMC Suites LLC	Delaware	Limited liability company
HMC Swiss Holdings LLC	Delaware	Limited liability company
HMC Toronto Airport GP LLC	Delaware	Limited liability company
HMC Toronto Airport LP	Delaware	Limited partnership
HMC Toronto EC GP LLC	Delaware	Limited liability company
HMC Toronto EC LP	Delaware	Limited partnership
HMC/Interstate Manhattan Beach, L.P.	Delaware	Limited partnership

U.S. Guarantor	Jurisdiction of Organization	Type of Entity
HMH General Partner Holdings LLC	Delaware	Limited liability company
HMH Marina LLC	Delaware	Limited liability company
HMH Norfolk LLC	Delaware	Limited liability company
HMH Norfolk, L.P.	Delaware	Limited partnership
HMH Pentagon LLC	Delaware	Limited liability company
HMH Restaurants LLC	Delaware	Limited liability company
HMH Rivers LLC	Delaware	Limited liability company
HMH Rivers, L.P.	Delaware	Limited partnership
HMH WTC LLC	Delaware	Limited liability company
HMT Lessee Parent LLC	Delaware	Limited liability company
Host La Jolla LLC	Delaware	Limited liability company
Host of Boston, Ltd.	Massachusetts	Limited partnership
Host of Houston 1979	Texas	General partnership
Host of Houston, Ltd.	Texas	Limited partnership
Host Park Ridge LLC	Delaware	Limited liability company
Ivy Street Hopewell LLC	Delaware	Limited liability company
Ivy Street LLC	Delaware	Limited liability company
Market Street Host LLC	Delaware	Limited liability company
MDSM Finance LLC	Delaware	Limited liability company
New Market Street LP	Delaware	Limited partnership
Philadelphia Airport Hotel LLC	Delaware	Limited liability company
PM Financial LLC	Delaware	Limited liability company
PM Financial LP	Delaware	Limited partnership
Potomac Hotel Limited Partnership	Delaware	Limited partnership
PRM LLC	Delaware	Limited liability company

U.S. Guarantor	Jurisdiction of Organization	Type of Entity
Rockledge Hotel LLC	Delaware	Limited liability company
S.D. Hotels LLC	Delaware	Limited liability company
Santa Clara HMC LLC	Delaware	Limited liability company
Times Square GP LLC	Delaware	Limited liability company
Times Square LLC	Delaware	Limited liability company
Wellsford-Park Ridge HMC Hotel Limited Partnership	Delaware	Limited partnership
YBG Associates LLC	Delaware	Limited liability company

SCHEDULE III

PLEDGED MEMBERSHIP INTERESTS AND PARTNERSHIP INTERESTS

A. Pledged Limited Liability Companies

Issuer	Pledgor	UCC Filing Office	Percentage of Outstanding Membership Interests
Airport Hotels LLC	*Company*	Delaware Secretary of State	100
Chesapeake Financial Services LLC	*Company*	Delaware Secretary of State	100
Durbin LLC	*Company*	Delaware Secretary of State	100
Farrell's Ice Cream Parlour Restaurants LLC	*Company*	Delaware Secretary of State	100
Fernwood Hotel LLC	*Company*	Delaware Secretary of State	100
HMC Amelia I LLC	*Company*	Delaware Secretary of State	100
HMC Amelia II LLC	*Company*	Delaware Secretary of State	100
HMC AP GP LLC	*Company*	Delaware Secretary of State	100
HMC Atlanta LLC	*Company*	Delaware Secretary of State	100
HMC Capital LLC	*Company*	Delaware Secretary of State	100
HMC Capital Resources LLC	*Company*	Delaware Secretary of State	90
	HMC Capital LLC	Delaware Secretary of State	10

Issuer	Pledgor	UCC Filing Office	Percentage of Outstanding Membership Interests
HMC Chicago LLC	*Company*	Delaware Secretary of State	100
HMC Copley LLC	*Company*	Delaware Secretary of State	100
HMC Desert LLC	*Company*	Delaware Secretary of State	100
HMC Diversified LLC	*Company*	Delaware Secretary of State	100
HMC East Side II LLC	*Company*	Delaware Secretary of State	100
HMC Georgia LLC	*Company*	Delaware Secretary of State	100
HMC Grand LLC	*Company*	Delaware Secretary of State	100
HMC Hartford LLC	*Company*	Delaware Secretary of State	100
HMC Headhouse Funding LLC	*Company*	Delaware Secretary of State	100
HMC Host Restaurants LLC	*Company*	Delaware Secretary of State	100
HMC Hotel Development LLC	*Company*	Delaware Secretary of State	100
HMC HPP LLC	*Company*	Delaware Secretary of State	100
HMC HT LLC	*Company*	Delaware Secretary of State	100
HMC IHP Holdings LLC	*Company*	Delaware Secretary of State	100
HMC JWDC LLC	*Company*	Delaware Secretary of State	100
HMC Lenox LLC	*Company*	Delaware Secretary of State	100

Issuer	Pledgor	UCC Filing Office	Percentage of Outstanding Membership Interests
HMC Manhattan Beach LLC	*Company*	Delaware Secretary of State	100
HMC Maui LLC	*Company*	Delaware Secretary of State	100
HMC Mexpark LLC	*Company*	Delaware Secretary of State	100
HMC NGL LLC	*Company*	Delaware Secretary of State	100
HMC OLS I LLC	*Company*	Delaware Secretary of State	100
HMC Palm Desert LLC	*Company*	Delaware Secretary of State	100
HMC Park Ridge LLC	*HMC Capital Resources LLC*	Delaware Secretary of State	100
HMC PLP LLC	*Company*	Delaware Secretary of State	100
HMC Polanco LLC	*HMC Mexpark LLC*	Delaware Secretary of State	100
HMC Potomac LLC	*Company*	Delaware Secretary of State	100
HMC Properties I LLC	*Company*	Delaware Secretary of State	100
HMC Properties II LLC	*Company*	Delaware Secretary of State	100
HMC Property Leasing LLC	*Company*	Delaware Secretary of State	100
HMC SBM Two LLC	*Company*	Delaware Secretary of State	100
HMC Seattle LLC	*Company*	Delaware Secretary of State	100
HMC SFO LLC	*Company*	Delaware Secretary of State	100

Issuer	Pledgor	UCC Filing Office	Percentage of Outstanding Membership Interests
HMC Suites LLC	*HMC Capital Resources LLC*	Delaware Secretary of State	100
HMC Swiss Holdings LLC	*Company*	Delaware Secretary of State	100
HMC Waterford LLC	*Company*	Delaware Secretary of State	100
HMH General Partner Holdings LLC	*Company*	Delaware Secretary of State	100
HMH Marina LLC	*HMC Retirement Properties L.P.*	Delaware Secretary of State	100
HMH Norfolk LLC	*Company*	Delaware Secretary of State	100
HMH Pentagon LLC	*Company*	Delaware Secretary of State	100
HMH Restaurants LLC	*Company*	Delaware Secretary of State	100
HMH Rivers LLC	*Company*	Delaware Secretary of State	100
HMH WTC LLC	*Company*	Delaware Secretary of State	100
HMT Lessee Parent LLC	*Company*	Delaware Secretary of State	100
Host La Jolla LLC	*Company*	Delaware Secretary of State	100
Host Park Ridge LLC	*HMC Capital Resources LLC*	Delaware Secretary of State	100
Ivy Street LLC	*Company*	Delaware Secretary of State	100
Ivy Street Hopewell LLC	*Company*	Delaware Secretary of State	100
MDSM Finance LLC	*HMC Palm Desert LLC*	Delaware Secretary of State	100

Issuer	Pledgor	UCC Filing Office	Percentage of Outstanding Membership Interests
Philadelphia Airport Hotel LLC	*Company*	Delaware Secretary of State	100
PM Financial LLC	*Company*	Delaware Secretary of State	100
PRM LLC	*HMC Capital Resources LLC*	Delaware Secretary of State	100
Rockledge Hotel LLC	*Company*	Delaware Secretary of State	100
Santa Clara HMC LLC	*Company*	Delaware Secretary of State	100
Times Square LLC	*Host La Jolla LLC*	Delaware Secretary of State	100
YBG Associates LLC	*HMC Capital Resources LLC*	Delaware Secretary of State	100

B. Pledged Partnerships

Issuer	Pledgor	UCC Filing Office	Pledgor's Partnership Interest
Ameliatel, a Florida GP	*HMC Amelia I LLC*	Delaware Secretary of State	99% GP
	HMC Amelia II LLC	Delaware Secretary of State	1% GP
Chesapeake Hotel Limited Partnership	*HMC PLP LLC*	Delaware Secretary of State	1% GP
	Company	Delaware Secretary of State	99% LP
City Center Hotel Limited Partnership	*Company*	Delaware Secretary of State	97.2% LP
	Host La Jolla LLC	Delaware Secretary of State	1% GP, 1.8% LP
HMC AP LP	*HMC AP GP LLC*	Delaware Secretary of State	.01% GP
	Company	Delaware Secretary of State	99.99% LP
HMC Diversified American Hotels, L.P.	*HMC Diversified LLC*	Delaware Secretary of State	1% GP
	HMC Partnership Properties LLC	Delaware Secretary of State	98% LP
	Company	Delaware Secretary of State	.99% LP .1% LP
HMC/Interstate Manhattan Beach, L.P.	*HMC Manhattan Beach LLC*	Delaware Secretary of State	1% GP
	Company	Delaware Secretary of State	74% LP 25% LP
HMC OLS I L.P.	*HMC OLS I LLC*	Delaware Secretary of State	0.1% GP
	Company	Delaware Secretary of State	99.9% LP

Issuer	Pledgor	UCC Filing Office	Pledgor's Partnership Interest
HMC OLS II LP	*HMC OLS I L.P.*	Delaware Secretary of State	99.9% LP
	HMC OLS I LLC	Delaware Secretary of State	0.1% GP
HMC Retirement Properties L.P.	*Durbin LLC*	Delaware Secretary of State	1% GP
	Company	Delaware Secretary of State	99% LP
HMC Suites Limited Partnership	*HMC Suites LLC*	Delaware Secretary of State	1% GP
	HMC Capital Resources LLC	Delaware Secretary of State	99% LP
HMH Norfolk, L.P.	*HMH Norfolk LLC*	Delaware Secretary of State	1% GP
	Company	Delaware Secretary of State	99% LP
HMH Rivers, L.P.	*HMH Rivers LLC*	Delaware Secretary of State	1% GP
	Company	Delaware Secretary of State	99% LP
Host of Boston, Ltd.	*Airport Hotels LLC*	Delaware Secretary of State	1% GP
	Company	Delaware Secretary of State	99% LP
Host of Houston 1979	*Airport Hotels LLC*	Delaware Secretary of State	99% GP
	Host of Houston, Ltd.	Texas Secretary of State	1% GP
Host of Houston, Ltd.	*Airport Hotels LLC*	Delaware Secretary of State	1% GP
	Company	Delaware Secretary of State	99% LP

Issuer	Pledgor	UCC Filing Office	Pledgor's Partnership Interest
PM Financial LP	*PM Financial LLC*	Delaware Secretary of State	1%GP
	Company	Delaware Secretary of State	99% LP
Potomac Hotel Limited Partnership	*HMC Potomac LLC*	Delaware Secretary of State	1% GP
			98% LP
	HMC Partnership Properties LLC	Delaware Secretary of State	.99% LP
	Company	Delaware Secretary of State	.1% LP
Wellsford-Park Ridge HMC Hotel Limited Partnership	*Host Park Ridge LLC*	Delaware Secretary of State	1% GP,
			98% LP
	PRM LLC	Delaware Secretary of State	1% LP

SCHEDULE IV

REVIEWED AGREEMENTS

A. Agreements listed on Host Marriott L.P.'s Annual Report for 2003, filed on March 4, 2004

1. Host Marriott L.P. Executive Deferred Compensation Plan as amended and restated effective January 1, 1999 (formerly the Host Marriott Corporation Executive Deferred Compensation Plan).
2. Host Marriott Corporation 1997 Comprehensive Stock and Cash Incentive Plan, as amended and restated December 29, 1998, as amended January 2004.
3. Distribution Agreement dated as of September 15, 1993 between Host Marriott Corporation and Marriott International, Inc.
    a. Amendment No. 1 to the Distribution Agreement dated December 29, 1995 by and among Host Marriott Corporation, Host Marriott Services Corporation and Marriott International, Inc.
    b. Amendment No. 2 to the Distribution Agreement dated June 21, 1997 by and among Host Marriott Corporation, Host Marriott Services Corporation and Marriott International, Inc.
    c. Amendment No. 3 to the Distribution Agreement dated March 3, 1998 by and among Host Marriott Corporation, Host Marriott Services Corporation, Marriott International, Inc. and Sodexho Marriott Services, Inc.
    d. Amendment No. 4 to the Distribution Agreement by and among Host Marriott Corporation and Marriott International Inc.
    e. Amendment No. 5 to the Distribution Agreement, dated December 18, 1998, by and among Host Marriott Corporation, Host Marriott Services Corporation and Marriott International Inc.
    f. Amendment No. 6, dated as of January 10, 2001, to the Distribution Agreement dated as of September 15, 1993 between Host Marriott Corporation and Marriott International, Inc.
    g. Amendment No. 7, dated as of December 29, 2001, to the Distribution Agreement dated as of December 15, 1993 between Host Marriott Corporation and Marriott International, Inc.
4. Distribution Agreement dated December 22, 1995 by and between Host Marriott Corporation and Host Marriott Services Corporation.
    a. Amendment to Distribution Agreement dated December 22, 1995 by and between Host Marriott Corporation and Host Marriott Services Corporation.
5. Tax Sharing Agreement dated as of October 5, 1993 by and between Host Marriott Corporation and Marriott International, Inc.
6. License Agreement dated as of December 29, 1998 by and among Host Marriott Corporation, Host Marriott, L.P., Marriott International, Inc. and Marriott Worldwide Corporation.
7. Tax Administration Agreement dated as of October 8, 1993 by and between Host Marriott Corporation and Marriott International, Inc.

8. Restated Noncompetition Agreement by and among Host Marriott Corporation, Marriott International, Inc. and Sodexho Marriott Services, Inc.
    a. First Amendment to Restated Noncompetition Agreement by and among Host Marriott Corporation, Marriott International, Inc. and Sodexho Marriott Services, Inc.
9. Employee Benefits and Other Employment Matters Allocation Agreement dated as of December 29, 1995 by and between Host Marriott Corporation and Host Marriott Services Corporation.
10. Tax Sharing Agreement dated as of December 29, 1995 by and between Host Marriott Corporation and Host Marriott Services Corporation.
11. Host Marriott, L.P. Retirement and Savings Plan, as amended and effective January 1, 2004.
12. Contribution Agreement dated as of April 16, 1998 among Host Marriott Corporation, Host Marriott, L.P. and the contributors named therein, together with Exhibit B.
    a. Amendment No. 1 to Contribution Agreement dated May 8, 1998 among Marriott Corporation, Host Marriott, L.P. and the contributors named therein.
    b. Amendment No. 2 to Contribution Agreement dated May 18, 1998 among Host Marriott Corporation, Host Marriott, L.P. and the contributors named therein.
13. Employee Benefits and Other Employment Matters Allocation Agreement between Host Marriott Corporation, Host Marriott, L.P. and Crestline Capital Corporation.
    a. Amendment to the Employee Benefits and Other Employment Matters Allocation Agreement effective as of December 29, 1998 by and between Host Marriott Corporation, Marriott International, Inc., Sodexho Marriott Services, Inc., Crestline Capital Corporation and Host Marriott, L.P.
14. Amended and Restated Noncompetition Agreement among Host Marriott Corporation, Host Marriott, L.P. and Crestline Capital Corporation, dated December 28, 1998.
    a. First Amendment, dated as of December 28, 1998, to the Restated Noncompetition Agreement dated March 3, 1998 by and among Host Marriott Corporation, Marriott International, Inc. and Crestline Capital Corporation.
15. Acquisition and Exchange Agreement dated November 13, 2000 by Host Marriott, L.P. and Crestline Capital Corporation.
16. Host Marriott Corporation’s Non-Employee Director’s Deferred Stock Compensation Plan.
17. Separation and Retirement Agreement dated as of May 30, 2003.
18. Host Marriott Severance Plan for members of senior management adopted as of March 6, 2003.

B. Management Agreements and Agreements Relating to Management Agreements

1. Corporate-Level Amendment of Host Management Agreements, dated as of December 29, 2001, by and among Host Marriott, L.P., HMT Lessee LLC and Marriott International, Inc. (the “MHRS CLA”).

a. Form of Standard 2002 Agreement (as defined in the MHRS CLA) attached as Exhibit 2 to the MHRS CLA.

b. Form of Standard Owner's Agreement (as defined in the MHRS CLA) attached as Exhibit 2-A to the MHRS CLA.

c. First Amendment to Corporate-Level Amendment of Host Management Agreements (MHRS), dated August 25, 2004, by and among Host Marriott, L.P., HMT Lessee LLC and Marriott International, Inc.

2. Amended and Restated Management Agreement for the Atlanta JW Lenox Marriott hotel, dated as of December 29, 2001, between Host Marriott, L.P. ("Owner") and Marriott International, Inc.

3. Third Amended and Restated Management Agreement for the New York Marriott Marquis hotel, dated as of December 29, 2001, between HMC Times Square Hotel LLC ("Owner") and Marriott International, Inc.

4. Amended and Restated Management Agreement for the San Francisco Moscone Marriott, dated as of December 29, 2001, between YBG Associates LLC ("Owner") and Marriott Hotels Services, Inc.

5. Corporate-Level Amendment of Host Management Agreements dated as of December 29, 2001, by and among Host Marriott, L.P., HMT Lessee LLC and The Ritz-Carlton Hotel Company, L.L.C. (the "RC CLA").

a. Form of Standard 2002 RC Agreement (as defined in the RC CLA) attached as Exhibit 2 to the RC CLA.

b. Form of Standard RC Owner's Agreement (as defined in the RC CLA) attached as Exhibit 2-A to the RC CLA.

6. Amended and Restated Management Agreement for the Ritz-Carlton San Francisco, dated as of January 1, 2002, between Host Marriott, L.P. ("Owner") and The Ritz-Carlton Hotel Company, L.L.C.

7. Amended and Restated Management Agreement for the Ritz-Carlton Buckhead, dated as of January 1, 2002, between HMC OP BN LLC ("Owner") and The Ritz-Carlton Hotel Company, L.L.C.

8. Amended and Restated Management Agreement for the Ritz-Carlton Naples, dated as of January 1, 2002, between HMC OP BN LLC ("Owner") and The Ritz-Carlton Hotel Company, L.L.C.

9. Operation Agreement dated as of January 5, 1995, by and between HMC Acquisition Properties, Inc. and Interstate Hotels Corporation #19.

a. Consent, Assignment and Assumption and Amendment of Operation Agreement, dated as of December 31, 1998, by and among Host Marriott Host Marriott, L.P., CCMH Charlotte LLC and Interstate Hotels, LLC.

10. Operation Agreement, dated as of December 15, 1994, by and between HMC Acquisition Properties, Inc. and CDS Hotel Corporation.

a. First Amendment to Operation Agreement, dated as of November 1, 1996, by and between HMC Acquisition Properties, Inc. and Interstate Hotels Corporation.

b. Second Amendment to Operation Agreement, dated as of January 31, 1997, by and between HMC Acquisition Properties, Inc. and Interstate Hotels Corporation.

c. Consent, Assignment and Assumption and Amendment of Operation Agreement, dated as of December 31, 1998, by and among Host Marriott, L.P., CCMH Fisherman's Wharf LLC and Interstate Hotels, LLC.

11. Hotel Management Agreement, dated July 15, 2004, between Delta Hotels Limited and HMC AP Canada Co.

12. Hotel Management Agreement, dated March 27, 1997, between BRE/Grand L.L.C. and Four Seasons Hotels Limited.

a. Consent, Assignment and Assumption and Amendment of Management Agreement, dated December 31, 1998, among HMC Grand LLC, CCFS Atlanta LLC and Four Seasons Hotels Limited.

13. Management Agreement, dated February 28, 1997, between BRE/HT, L.L.C. and Hyatt Corporation.

a. Consent, Assignment and Assumption and Amendment of Management Agreement, dated December 30, 1998, among HMC HT LLC, CCMH Atlanta LLC and Hyatt Corporation.

b. Amendment to Management Agreement, dated July 26, 2000, between CCHH Atlanta LLC and Hyatt Corporation.

C. Franchise Agreements

1. First Amended and Restated Corporate-Level Amendment of Host Franchise Agreements, dated as of December 29, 2001, by and between Host Marriott, L.P. and Marriott International, Inc.

2. Franchise Agreement, dated January 5, 1995, by and between Host Marriott, L.P. and Marriott International, Inc., as amended.

a. Consent, Assignment and Assumption and Amendment of License Agreement, dated as of December 31, 1998, by and among Host Marriott, L.P., CCMH Charlotte LLC and Marriott International, Inc.

b. Assignment of Franchise Agreement and Termination of Owner Agreement and Consent, dated as of January 10, 2001, by and among CCMH Charlotte LLC, Host Marriott, L.P. and Marriott International, Inc.

c. Amendment to Franchise Agreement, dated as of January 10, 2001, by and between Host Marriott, L.P. and Marriott International, Inc.

3. Franchise Agreement, dated December 15, 1994, by and between Host Marriott, L.P. and Marriott International, Inc., as amended.

a. Consent, Assignment and Assumption and Amendment of License Agreement, dated as of December 31, 1998, by and among Host Marriott, L.P., CCMH Fisherman's Wharf LLC and Marriott International, Inc.

b. Assignment of Franchise Agreement and Termination of Owner Agreement and Consent, dated as of January 10, 2001, by and among CCMH Fisherman's Wharf LLC, Host Marriott, L.P. and Marriott International, Inc.

c. Amendment to Franchise Agreement, dated as of January 10, 2001, by and between Host Marriott, L.P. and Marriott International, Inc.

SCHEDULE V

RESTRICTED TRANSFEREES

A "restricted transferee" of a controlling interest in a Credit Party shall mean an entity which:

(i) does not have sufficient financial resources and liquidity to fulfill a Credit Party's obligations under its respective hotel management or franchise agreement;

(ii) is in control of or controlled by persons who have been convicted of felonies involving moral turpitude in any state or federal court;

(iii) is an operator (or a person or entity that controls an operator) of a branded full service hotel chain with more than ten thousand (10,000) rooms, or a branded select service or extended stay hotel chain with more than twenty-five thousand (25,000) rooms; provided, however, that a person or entity shall not be deemed to be an operator of a branded hotel chain solely by reason of such person or entity being (w) a franchisee, but not an operator (or a person or entity that controls an operator), of a branded hotel chain, (x) a passive, institutional investor that has no more than a two (2)-seat representation on the board or directors or corresponding governing body (but in no event more than thirty percent (30%) of the seats on the board of directors or corresponding governing body) of an operator of a branded full-service or extended stay hotel chain and is not involved in the day to day property-level management decisions or executive oversight (except in a board or corresponding governing body capacity) of such operator, (y) engaged in the ownership of such hotels, either directly or indirectly through subsidiaries, or (z) engaged in the financing of such hotels through the holding of a mortgage or mortgages secured by one or more hotels;

(iv) is a non-profit or governmental organization;

(v) as its primary business, owns, leases, or operates any casino or gambling facility or is an affiliate of any such entity; or

(vi) owns or operates a distillery, winery, or brewery or a distributorship of alcoholic beverages.

BLAKE, CASSELS & GRAYDON LLP

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September 10, 2004

To the Persons listed on Schedule A to this Opinion

Dear Sirs/Madames:

Re: Amended and Restated Credit Agreement dated as of September 10, 2004, between Host Marriott L.P., as the U.S. Borrower, certain subsidiaries of Host Marriott L.P., HMC Toronto EC Company, HMC Toronto Air Company, HMC AP Canada Company and Calgary Charlotte Partnership, as the Canadian Borrowers, the lenders as may become party thereto from time to time, Deutsche Bank Trust Company Americas, as Administrative Agent, Bank of America, N.A., as Syndication Agent, and Citicorp North America, Inc., Societe Generale and Calyon New York Branch, as Co-Documentation Agents (the "Amended and Restated Credit Agreement")

1. SCOPE OF OPINION

1.1 Introduction

1.1.1 We have acted as Canadian counsel for:

(a) HMC Toronto EC Company, HMC Toronto Air Company, HMC AP Canada Company, HMC Charlotte (Calgary) Company ("**HMC Charlotte**"), HMC Grace (Calgary) Company ("**HMC Grace**") and Calgary Charlotte Holdings Company ("**Calgary Holdings**") (collectively, the "**Nova Scotia Companies**"); and

(b) HMC Charlotte and HMC Grace in their capacities as general partners (the "**Partners**") of Calgary Charlotte Partnership (the "**Calgary Partnership**", the Calgary Partnership collectively with HMC Toronto EC Company, HMC Toronto Air Company and HMC AP Canada Company the "**Canadian Borrowers**");

in connection with the Amended and Restated Credit Agreement, the September 10, 2004 Canadian Dollar Revolving Notes executed and delivered under the Amended and Restated Credit Agreement by each of the Canadian Borrowers in favour of each of Deutsche Bank AG,

Canada Branch, Bank of America, N.A. (Canadian Branch), Citibank, N.A. (Canadian Branch), Societe Generale (Canada) and The Bank of Nova Scotia (the "**Existing Canadian Dollar Revolving Notes**") and the amended and restated subsidiaries guaranty (the "**Amended and Restated Subsidiaries Guaranty**") dated September 10, 2004 whereby HMC AP Canada Company, HMC Charlotte, HMC Grace and Calgary Holdings, in each case in their personal capacities and not in the case of HMC Charlotte, HMC Grace in their capacity as Partners of the Calgary Partnership, (collectively, the "**Canadian Guarantors**" and together with the Canadian Borrowers, the "**Canadian Credit Parties**") guarantee the Credit Agreement Obligations and Other Obligations (as defined in the Amended and Restated Subsidiaries Guaranty).

1.1.2 This opinion is given to you pursuant to Section 6.02 of the Amended and Restated Credit Agreement. Capitalized terms used but not defined in this opinion have the respective meanings attributed to those terms in the Amended and Restated Credit Agreement. The Amended and Restated Credit Agreement, the Existing Canadian Dollar Revolving Notes and the Amended and Restated Subsidiaries Guaranty are referred to collectively as the "**Documents**" and individually as a "**Document**".

1.2 Examination of Documents

1.2.1 We examined an electronically transmitted copy of the each of the executed Documents.

1.2.2 We have also made such investigations and examined originals or copies, certified or otherwise identified to our satisfaction, of such certificates of public officials and of such other certificates, documents and records as we considered necessary or relevant for purposes of the opinions expressed below, including, without limitation:

(a) the general partnership agreement dated December 9, 1996 between HMC Charlotte and HMC Grace (as successor) (the "**Partnership Agreement**");

(b) a resolution of the general partners of the Calgary Partnership authorizing, among other things, the execution, delivery and performance of by the Calgary Partnership of the Documents to which it is a party;

(c) a certificate of the Secretary of the Nova Scotia Companies (the "**Secretary's Certificate**") with respect to certain factual matters, a copy of which has been delivered to you;

(d) certificates of status (the "**Alberta Certificates of Status**") dated September 9, 2004 issued in respect of each of HMC Charlotte and HMC Grace by the Registrar of Corporations for the Province of Alberta; and

(e) corporate profile reports (the "**Ontario Corporate Profile Reports**") dated September 9, 2004 issued in respect of each of HMC Toronto EC Company, HMC

Toronto Air Company and HMC AP Canada Company by the Ministry of Consumer and Commercial Relations for the Province of Ontario.

1.3 Assumptions

We have made the following assumptions:

1.3.1 With respect to all documents examined by us, we have assumed the genuineness of all signatures, the legal capacity of individuals signing any documents, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conformed, telecopied, photocopied or electronically transmitted copies.

1.3.2 We have, with your permission, relied upon the Secretary's Certificate with respect to the accuracy of the factual matters contained therein, which factual matters have not been independently investigated or verified by us.

1.3.3 We have assumed that the Partners have duly executed on behalf of the Calgary Partnership each of the Documents to which the Calgary Partnership is a party.

1.4 Laws Addressed

1.4.1 The opinions expressed herein relate only to the laws of the Provinces of Ontario and Alberta (the "**Provinces**") on the date of this opinion, and the federal laws of Canada applicable in the Provinces, as at the date of this opinion, and no opinion is expressed with respect to the laws of any other jurisdiction.

2. OPINIONS

Based upon and subject to the foregoing, and to the qualifications expressed below, we are of the opinion that:

2.1.1 The Calgary Partnership has been formed and is existing as a general partnership under the *Partnership Act* (Alberta).

2.1.2 Relying solely on the Alberta Certificates of Status, each of HMC Charlotte and HMC Grace is a valid and subsisting extra-provincial corporation in the Province of Alberta.

2.1.3 No extra-provincial license is required to be obtained in Ontario in order for HMC Toronto EC Company, HMC Toronto Air Company or HMC AP Canada Company to carry on business in Ontario. It should be noted, however, that each of HMC Toronto EC Company, HMC Toronto Air Company and HMC AP Canada Company is required to file certain prescribed corporate information pursuant to the *Corporation Information Act* (Ontario). The Ontario Profile Reports indicate that each of HMC Toronto EC Company, HMC Toronto Air

Company and HMC AP Canada Company has filed initial notices under the *Corporation Information Act* (Ontario) as of the dates specified in such Ontario Profile Reports.

2.1.4 The Calgary Partnership has the partnership power and capacity to execute, deliver and perform its obligations under each of the Documents to which it is a party.

2.1.5 The Calgary Partnership has taken all necessary partnership action to authorize the execution, delivery and performance by the Partners on behalf of the Calgary Partnership of each of the Documents to which it is a party, and the other Canadian Dollar Revolving Notes in accordance with the provisions of the Amended and Restated Credit Agreement to each Canadian Lender which did not receive such a note today and the Calgary Partnership has duly executed each of the Documents to which it is a party.

2.1.6 Assuming that a Document has been unconditionally delivered in the State of New York (which we have been advised by counsel for the Lenders is the State where the Documents have actually been executed and delivered) by a Canadian Credit Party to the other parties to such Document in order to create a binding agreement between them, then, to the extent that the laws of a Province were to apply to the question of the delivery of such Document[1], such Document has been duly delivered.

2.1.7 The execution, delivery and performance by each of the Canadian Credit Parties of each of the Documents to which it is a party (including the execution, delivery and performance by the Partners on behalf of the Calgary Partnership of the Documents to which the Calgary Partnership is a party) do not breach or result in a default under:

(a) in the case of the Partners and the Calgary Partnership, the Partnership Agreement;

(b) in the case of any of the Canadian Credit Parties, any law, statute, rule or regulation of the Provinces or any of the laws of Canada applicable therein to which any of the Canadian Credit Parties are subject; and

(c) to our current actual knowledge, any judgement, order or decree of any court, agency, tribunal, arbitrator or other authority in either of the Provinces to which any Canadian Credit Parties are subject.

2.1.8 No authorization, consent, permit or approval of, or other action by, or filing or qualification with or notice to, any governmental agency or authority, regulatory body, court,

[1] Please note that under conflict of laws rules applicable in the Province, as a matter of contract law, delivery of a Document must be effected in accordance with the law of the place of performance (which in this case would be the laws of the State of New York (being the laws applicable to such Document as chosen by the parties and the laws of the State where, we have been advised by counsel for the Lendors, such Document has actually been executed and delivered)).

tribunal or other similar entity having jurisdiction in either of the Provinces under the laws of either of the Provinces or the federal laws of Canada applicable therein is required in connection with the execution, delivery and performance by any of the Canadian Credit Parties of any of the Documents to which it is a party (including the execution, delivery and performance by the Partners on behalf of the Calgary Partnership of the Documents to which the Calgary Partnership is a party).

2.1.9 If a Document is sought to be enforced in any action or proceeding in either of the Provinces in accordance with the laws applicable to such Document as chosen by the parties, namely the laws of the State of New York, the courts of such Province would recognize such choice of laws provided that such choice of laws is bona fide (in the sense that it was not made with a view to avoiding the consequences of the laws of the jurisdiction with which the transaction has a real and substantial connection) and provided that such choice of laws is not contrary to public policy, public order or good morals as such terms are understood under the laws of such Provinces ("**Public Policy**"). To our current actual knowledge, the choice of the laws of the State of New York as the laws applicable to the Documents was not made by any Canadian Credit Party for the purpose of evading another system of law and would not offend Public Policy in either of the Provinces.

2.1.10 If a Document is sought to be enforced in any action or proceeding in either Province in accordance with the laws applicable to such Document as chosen by the parties, namely the laws of the State of New York, the courts of such Province would, subject to paragraph 2.1.9 hereof, apply the laws of the State of New York, to the extent specifically pleaded and proved, to all issues which under conflict of laws rules in effect in such Province are characterized to be contract issues, except such New York laws found by the relevant court (i) to be procedural in nature; (ii) to be of a revenue, expropriatory or penal nature; (iii) to be inconsistent with Public Policy; or (iv) to conflict with laws of such Province (the "**Overriding Local Laws**") determined by such court to be of overriding effect. A court in either Province has, however, an inherent power to decline to hear such action or proceeding if it is contrary to Public Policy for it to do so, or if it is not the proper forum to hear such action, or if concurrent proceedings are being brought elsewhere. Based solely on our review of the Documents, and subject to the assumptions and qualifications provided for in this opinion, the Overriding Local Laws would not impair the enforceability of the Documents against a Canadian Credit Party.

2.1.11 The laws of each of the Provinces permit an action to be brought before a court of competent jurisdiction in such Province to enforce a final and conclusive judgement *in personam* against the applicable Canadian Credit Party in respect of a Document by a court in the State of New York, which is not impeachable as void or voidable under the internal laws of the State of New York, for a sum certain if (i) the court rendering such judgement properly and appropriately exercised jurisdiction over the applicable Canadian Credit Party pursuant to the laws of such Province and of the laws of the State of New York; (ii) the applicable Canadian Credit Party was duly served with the process of the New York court or appeared to such process, (iii) such

judgement was not obtained by fraud or in a manner contrary to natural justice and the enforcement of such judgement would not be inconsistent with Public Policy or contrary to any order made by the Attorney-General of Canada under the *Foreign Extraterritorial Measures Act* (Canada) or the Competition Tribunal under the *Competition Act* (Canada) in respect of certain judgements (as therein defined); (iv) the cause of action giving rise to such judgement is recognized in such Province, (v) the enforcement of such judgement does not constitute, directly or indirectly, the enforcement of foreign revenue, expropriatory or penal laws; (vi) no new admissible evidence relevant to the action is discovered prior to the rendering of judgement by the court of such Province; and (vii) there has been compliance with the *Limitations Act* (Ontario) or the Limitations Act (Alberta), as the case may be, which requires that an action to enforce a foreign judgement must be commenced within a period of six years of the date of the foreign judgement.

2.1.12 The submission by the Canadian Borrowers to the non-exclusive jurisdiction of the courts of New York and the federal courts of the United States of America sitting in the Southern District of New York contained in Section 14.07 of the Amended and Restated Credit Agreement would be recognized and given effect by the courts in the Provinces as a valid submission to the jurisdiction of such courts, provided that the provisions of the Amended and Restated Credit Agreement respecting service of process on the Canadian Borrowers are complied with. The submission by the Canadian Guarantors to the non-exclusive jurisdiction of the courts of New York and the federal courts of the United States of America sitting in the Southern District of New York contained in Section 20 of the Amended and Restated Subsidiaries Guaranty would be recognized and given effect by the courts in the Provinces as a valid submission to the jurisdiction of such courts, provided that the provisions of the Amended and Restated Subsidiaries Guaranty respecting service of process on the Canadian Guarantors are complied with.

2.1.13 To our current actual knowledge, we have not been retained to represent any of the Canadian Credit Parties in respect of any:

(a) court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal);

(b) arbitration or other dispute settlement procedure; or

(c) investigation or inquiry by any governmental, administrative, regulatory or other similar body;

that, if determined adversely to any of the Canadian Parties, would prohibit any of the Canadian Credit Parties from executing, delivering or performing any of their respective obligations under the Documents.

3. QUALIFICATIONS

The foregoing opinions are subject to the following qualifications:

3.1.1 Where we express opinions based upon the state of our current actual knowledge, such opinions are qualified in that, except for (i) a review of the Secretary's Certificate and the Documents, and (ii) inquiries of solicitors presently with this firm who were directly involved in the preparation and negotiation of the Documents, the transactions contemplated thereby and this opinion regarding their current actual conscious recollections, we have not made any special or additional investigations, searches or inquiries.

3.1.2 The enforceability of each of the Documents is subject to bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws of general application affecting the enforcement of creditors' rights generally.

3.1.3 The enforceability of any Document may be limited by general principles of equity and the obligation to exercise discretionary powers in a reasonable manner, and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction) which remedies are only available in the discretion of a court of competent jurisdiction.

3.1.4 The enforcement of any Document is subject to the discretion of a court of competent jurisdiction to impose restrictions on the rights of creditors to enforce immediate payment of amounts stated to be payable on demand.

3.1.5 The awarding of costs is in the discretion of a court of competent jurisdiction.

3.1.6 Pursuant to the *Currency Act* (Canada), a judgment by a court in any province in Canada may be awarded in Canadian currency only and such judgment may be based on a rate of exchange in existence on a day other than the day of payment of such judgment.

3.1.7 Any requirement in any of the Documents that interest be paid at a higher rate after than before default, or providing for an additional penalty, charge or other similar payment after default, may not be enforceable on the basis that it may be seen to constitute a penalty rather than a genuine pre-estimate of damages.

3.1.8 No opinion is expressed regarding the enforceability of any provision of any Document which purports to provide that any portion thereof which is unenforceable may be severed without affecting the enforceability of the remaining provisions.

3.1.9 The enforceability of a waiver of the right to a jury trial in a civil action is subject to the discretion of a judge not to strike a jury notice.

3.1.10 A provision in any Document which purports to waive any statutory rights may not be enforceable.

3.1.11 The effectiveness of provisions which purport to relieve a Person from a liability or duty otherwise owed may be limited by law, and provisions requiring indemnification or reimbursement may not be enforced by a court, to the extent that they relate to the failure of such Person to have performed such liability or duty.

3.1.12 No opinion is expressed regarding the enforceability of any provisions in any of the Documents to the effect that modifications, amendments or waivers of or with respect to any of the Documents that are not in writing will be ineffective.

3.1.13 No opinion is expressed as to the enforceability of any provisions in any of the Documents which:

(a) purport to establish evidentiary standards, such as provisions stating that certain determinations, calculations, requests or certificates will be conclusive or binding; or

(b) purport to waive or effect any rights to notices of enforcement of rights or remedies.

3.1.14 No opinion is expressed as to any taxes, levies, duties, imposts or charges which may be imposed upon, or exigible in respect of, any of the transactions contemplated by the Documents.

3.1.15 Any requirement that interest (as defined in the *Criminal Code* (Canada)) be paid, or which results in receipt by the Lender of such interest, at a rate in excess of 60% per annum may contravene Section 347 of the Criminal Code (Canada) and may not be enforceable.

4. RELIANCE

This opinion may be relied upon only by the Administrative Agent and the Lenders, their permitted assigns and successors and counsel to such parties for the purposes of the matters contemplated by this opinion. It may not be relied upon by any other person or for any other purpose without our prior written consent.

Yours truly,

SCHEDULE A

Deutsche Bank Trust Company Americas
Bank of America, N.A.
Citicorp North America Inc.
Société Générale
Calyon New York Branch
Goldman Sachs Credit Partners L.P.
The Bank of New York
Bear Stearns Corporate Lending Inc.
Wachovia Bank, National Association
The Bank of Nova Scotia
Deutsche Bank AG Canada Branch
Bank of America, N.A. (Canada Branch)
Citibank, N.A. Canadian Branch
Societe Generale (Canada)
Such other persons which become Lenders from time to time under the Amended and Restated Credit Agreement.
Willkie Farr & Gallagher LLP
Stikeman Elliott LLP

COX HANSON O'REILLY MATHESON

1100 Purdy's Wharf Tower One
1959 Upper Water Street
Halifax, Nova Scotia, Canada

Correspondence
PO Box 2380 Central
Halifax NS B3J 3E5

September 10, 2004

To the Persons listed on Schedule "A" to this Opinion

Dear Sirs/Madames:

Re: Amended and Restated Credit Agreement dated as of September 10, 2004, among Host Marriott L.P., as the U.S. Borrower, certain subsidiaries of Host Marriott L.P., HMC Toronto EC Company, HMC Toronto Air Company, HMC AP Canada Company and Calgary Charlotte Partnership, as the Canadian Borrowers, the lenders as may become party thereto from time to time, Deutsche Bank Trust Company Americas, as Administrative Agent, Bank of America, N.A., as Syndication Agent, and Citicorp North America, Inc., Societe Generale and Caylon, as Co-Documentation Agents (the "Amended and Restated Credit Agreement")

1. SCOPE OF OPINION

1.1 Introduction

1.1.1 We have acted as Nova Scotia counsel for:

(a) HMC Charlotte (Calgary) Company ("**Charlotte**") and HMC Grace (Calgary) Company ("**Grace**") in their capacities as general partners (the "**Partners**") of Calgary Charlotte Partnership (the "**Partnership**"), HMC Toronto EC Company, HMC Toronto Air Company and HMC AP Canada Company ("**HMC AP**") (collectively, the Partners and these companies are referred to as the "**Borrowers**") in connection with the Amended and Restated Credit Agreement and the Canadian Dollar Revolving Notes executed and delivered today under the Amended and Restated Credit Agreement by each of the Borrowers in favour of each of Deutsche Bank AG, Canada Branch, The Bank of Nova Scotia, Bank of America, N.A. (Canada Branch), Citibank N.A. Canadian Branch and Societe Generale (Canada) (the "**Existing Canadian Dollar Revolving Notes**"),

(b) for HMC AP, Calgary Charlotte Holdings Company, Charlotte and Grace in their personal capacities and not as general partners of the Partnership (each of HMC AP, Calgary Charlotte Holdings Company, Charlotte and Grace in such capacity a "**Guarantor**" and collectively, the "**Guarantors**" and together with the Borrowers, the "**Companies**" and each a "**Company**") in connection with the execution and delivery by the Guarantors of an Amended and Restated Subsidiaries Guaranty (the "**Amended and Restated Subsidiaries Guaranty**") dated September 10, 2004 whereby each Guarantor guarantees the Credit Agreement Obligations and Other Obligations (as defined in the Amended and Restated Subsidiaries Guaranty); and

(c) for HMC AP LP in connection with an amended and restated pledge and security agreement dated September 10, 2004 (the "**Pledge and Security Agreement**") whereby, *inter alia*, certain shares of HMC AP are pledged by HMC AP LP to the Pledgee (as defined therein) (the "**Pledgee**").

1.1.2 This opinion is given to you pursuant to Section 6.02 of the Amended and Restated Credit Agreement. Capitalized terms used but not defined in this opinion have the respective meanings attributed to those terms in the Amended and Restated Credit Agreement. The Amended and Restated Credit Agreement, the Existing Canadian Dollar Revolving Notes, the Amended and Restated Subsidiaries Guaranty and the Pledge and Security Agreement are referred to collectively as the "**Documents**" and individually as a "**Document**". The Amended and Restated Subsidiaries Guaranty and the Pledge and Security Agreement are referred to collectively as the "**Foreign Law Documents**" and individually as a "**Foreign Law Document**".

1.2 **Examination of Documents**

1.2.1 We have been provided with and have examined an electronically transmitted copy of each of the executed Documents.

1.2.2 We have also made such investigations and examined originals or copies, certified or otherwise identified to our satisfaction, of such certificates of public officials and of such other certificates, documents and records as

we considered necessary or relevant for purposes of the opinions expressed below, including, without limitation:

(a) all corporate records of the Companies contained in their respective minute books including, without limitation, the Memorandum of Association and Articles of Association of each of the Companies;

(b) certified resolutions of the boards of directors of each of the Companies authorizing, among other things, the execution, delivery and performance by such Company of each of the Documents to which it is a party;

(c) certificates of status each dated September 8, 2004 (the "**Certificates of Status**") issued in respect of each of the Companies by the Nova Scotia Registrar of Joint Stock Companies; and

(d) a certificate of the Secretary of each Company (the "**Secretary's Certificate**") with respect to certain factual matters, a copy of which has been delivered to you.

1.2.3 We have also conducted or caused to be conducted only the searches and inquiries for registrations affecting personal property made against the Companies and HMC AP LP described in Schedule "B", current to the dates shown in Schedule "B". Such searches disclose no outstanding filings or registrations except as set out in Schedule "B".

1.3 **Assumptions**

We have made the following assumptions:

1.3.1 With respect to all documents examined by us, we have assumed the genuineness of all signatures, the legal capacity of individuals signing any documents, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conformed, telecopied or photocopied copies.

1.3.2 We have, with your permission, relied upon the Secretary's Certificate with respect to the accuracy of the factual matters contained therein, which

factual matters have not been independently investigated or verified by us.

1.3.3 With respect to the opinions set out in paragraph 2.1, we have relied on the Certificate of Status relative to each of the Companies and have, with your permission, assumed that such Certificates of Status continue to be accurate as of the date of this opinion.

1.3.4 The accuracy, currency and completeness of the indices and filing systems maintained by the public office and registries where we have searched or inquired or have caused searches or inquiries to be made and of the information and advice provided to us and prepared by government, regulatory or other like officials with respect to those matters referred to herein.

1.3.5 That each of the parties which is a corporate entity (other than the Companies) to each of the Documents has all requisite corporate power and capacity to execute and deliver each of the Documents to which is a party and to exercise its rights and perform its obligations thereunder, and has taken all necessary corporate action to authorize the execution and delivery of each of the Documents to which it is a party and the exercise of its rights and the performance of its obligations thereunder.

1.3.6 That each of Charlotte and Grace are general partners of Calgary Charlotte Partnership (the "**Partnership**"), an Alberta partnership and that the Partnership is a validly existing Partnership under the laws of the Province of Alberta, the Partnership has all requisite power and capacity to execute and deliver and perform its obligations under the Pledge and Security Agreement, and has taken all necessary action to authorize the execution, delivery and performance by the Partners of the Pledge and Security Agreement.

1.3.7 That the Partnership has been formed and is existing as a general partnership under the *Partnership Act* (Alberta).

1.3.8 That HMC AP LP has all requisite power and capacity to execute and deliver the Pledge and Security Agreement and to exercise its rights and perform its obligations thereunder, and has taken all necessary action to authorize the execution and delivery of the Pledge and Security Agreement and the exercise of its rights and the performance of its obligations thereunder and that HMC AP GP LLC is the general partner of HMC AP LP.

1.3.9 That the execution by Charlotte and Grace on behalf of the Partnership of those Documents to which the Partnership is a party constitutes due execution by the Partnership of such Documents.

1.3.10 For the purpose of the opinions expressed in paragraph 2.7 below, we have assumed that the Pledge and Security Agreement is a legal, valid and binding obligation of each of the parties thereto under the laws of the State of New York enforceable under such laws against each party thereto by each other party thereto in accordance with its terms.

1.3.11 That the terms of the Pledge and Security Agreement will be interpreted under the laws of the State of New York to have the same meaning and context as they would under the laws of the Province.

1.3.12 For the purposes of the opinion expressed in paragraph 2.7 below, we have assumed (i) the currency and accuracy of any printed search result from the Personal Property Registry ("**PPR**") maintained under the *Personal Property Security Act* (Nova Scotia) (the "**PPSA**"); (ii) that value has been given by the Pledgee to HMC AP LP; and (iii) that neither of HMC AP LP or the Pledgee have agreed to postpone the time for the attachment of the security interest contemplated by the Pledge and Security Agreement.

1.4 **Laws Addressed**

1.4.1 The opinions expressed herein relate only to the laws of the Province of Nova Scotia (the "**Province**") on the date of this opinion, and the federal laws of Canada applicable in the Province, as at the date of this opinion, and no opinion is expressed with respect to the laws of any other jurisdiction. Without limiting the generality of the immediately preceding sentence, we express no opinion with respect to the laws of any other jurisdiction, to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection, or enforcement of the security interests created by the Pledge and Security Agreement as a result of the application of Nova Scotia conflict of law rules, including, without limitation, Sections 6 through 9 inclusive of the PPSA. In addition, we express no opinion whether, pursuant to those conflicts of law rules, Nova Scotia laws would govern the validity, perfection and effect of

perfection or non-perfection or enforcement of the security interests contemplated by the Pledge and Security Agreement.

2. OPINIONS

Based upon and subject to the foregoing, and to the qualifications expressed below, we are of the opinion that:

2.1 Each of the Companies is a company amalgamated and existing under the laws of the Province and has not been dissolved.

2.2 Each of the Companies has the corporate power and capacity to execute, deliver and perform its obligations under each of the Documents to which it is a party and the other Canadian Dollar Revolving Notes in accordance with the provisions of the Amended and Restated Credit Agreement to each Canadian Lender which did not receive such a note today.

2.3 Each of the Companies has taken all necessary corporate action to authorize the execution, delivery and performance by it of each of the Documents to which it is a party, and the other Canadian Dollar Revolving Notes in accordance with the provisions of the Amended and Restated Credit Agreement to each Canadian Lender which did not receive such a note today, and each of the Companies has duly executed each of the Documents to which it is a party.

2.4 Charlotte and Grace have the corporate power and capacity to execute, deliver and perform the obligations of the Partnership under each of the Documents to which the Partnership is a party and the other Canadian Dollar Revolving Notes in accordance with the provisions of the Amended and Restated Credit Agreement to each Canadian Lender which did not receive such a note today.

2.5 Each of Grace and Charlotte have taken all necessary corporate action to authorize the execution, delivery and performance by it of each of the Documents to which the Partnership is a party, and the other Canadian Dollar Revolving Notes in connection with the provisions of the Amended and Restated Credit Agreement to each Canadian Lender which did not receive such a note today.

2.6 Each of Grace and Charlotte have duly executed on behalf of the Partnership each of the Documents to which the Partnership is a party.

2.7 The Pledge and Security Agreement creates a valid security interest in favour of the Pledgee for the benefit of the Secured Creditors (as defined in the Pledge and Security Agreement) in the collateral described therein in which HMC AP LP now has rights and is sufficient to create a security interest in favour of the Pledgee for the benefit of such secured creditors in the collateral in which HMC AP LP hereafter acquires rights when those rights are acquired by HMC AP LP, as security for the obligations secured thereby, and such security interest has, to the extent that it may be perfected by way of the registration of a financing statement in the PPR maintained under the PPSA, been perfected by registration.

2.8 All registrations have been made in all public offices provided for under the laws of the Province and the federal laws of Canada applicable therein where such registration is necessary to preserve, protect and perfect the security interest created by HMC AP LP in the share capital of HMC AP secured and pledged under the Pledge and Security Agreement (the "**ULC Shares**") and the particulars of the registrations are set forth in Schedule "C" hereto.

2.9 Based solely on our review of the minute book records of HMC AP in our possession, the authorized capital of HMC AP consists of 100,000,000 shares without nominal or par value of which 30,594,666 such shares are issued and outstanding in the name of HMC AP LP.

2.10 Assuming that none of the rights and remedies incorporated by reference in the Pledge and Security Agreement create membership rights in the ULC Shares, we are of the opinion that a Nova Scotia court, properly presented with the facts, would not find that the Pledgee or the Secured Creditors, or any of them, was a member of HMC AP, simply by virtue of the entering into of the Pledge and Security Agreement and the possession by the Pledgee (or its or their agent) of certificates representing the ULC Shares and prior to such exercise of rights and assignment of shares, provided that the Pledgee did not:

(a) deliver the ULC Shares with an executed stock power to HMC AP or apply to have the ULC Shares registered in its name or in the name of the Pledgee or its or their agent;

(b) hold itself out as a member of HMC AP;

(c) receive dividends or property:

(i) from the HMC AP by reason of the Pledgee's holding of the ULC Shares; or

(ii) that a Nova Scotia court might otherwise consider to be a distribution to a member; or

(d) act or purport to act as a member of HMC AP or exercise or attempt to exercise any rights of a member including, without limitation, the right to attend a meeting of HMC AP or to vote the ULC Shares.

If upon an Event of Default (as defined in the Pledge and Security Agreement) and upon the exercise of rights and remedies under and pursuant to the Pledge and Security Agreement, any of the ULC Shares were assigned to the Pledgee, the Secured Creditors or their nominee such that the Pledgee, the Secured Creditors or their nominee were to become a "member" (within the meaning of the *Companies Act* (Nova Scotia)) of HMC AP, then such member would, together with other then existing members of HMC AP and certain previous members thereof, be jointly and severally liable for the obligations of HMC AP. Courts have, in certain circumstances, found persons who were not entered on a company's register of members to be members of a company. These cases generally involve circumstances in which a person has subscribed for shares from the company but, for some reason, typically inadvertence, that person's name was not entered on the register of members, or in which persons have acted as would a member or have held themselves out as a member, or have otherwise participated in the company as a member.

We express no opinion on whether the Pledgee would be found to be a member of HMC AP by a Nova Scotia court if such person were to take any steps to exercise their rights to enforce their security pursuant to the Pledge and Security Agreement.

2.11 Assuming that a Document has been unconditionally delivered in the State of New York (which we have been advised by counsel for the

Lenders is the State where the Documents have actually been executed and delivered) by a Company to the other parties to such Document in order to create a binding agreement between them, then, to the extent that the laws of the Province were to apply to the question of the delivery of such Document1, such Document has been duly delivered.

2.12 The execution, delivery and performance by each of the Companies of each of the Documents to which it is a party do not breach or result in a default under:

(a) the Memorandum of Association or Articles of Association of such Company;

(b) any law, statute, rule or regulation of the Province or the laws of Canada applicable therein to which any of the Companies is subject; or

(c) to our knowledge, any judgement, order or decree of any court, agency, tribunal, arbitrator or other authority in the Province to which any Company is subject.

2.13 No authorization, consent, permit or approval of, or other action by, or filing with or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity having jurisdiction in the Province under the laws of the Province is required in connection with the execution, delivery and performance of by any of the Companies of any of the Documents to which it is a party.

2.14 To our knowledge, we have not been retained to represent any of Companies in respect of any:

(a) court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal);

(b) arbitration or other dispute settlement procedure; or

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[1] Please note that under conflict of laws rules applicable in the Province, as a matter of contract law, delivery of a Document must be effected in accordance with the law of the place of performance (which in this case would be the laws of the State of New York (being the laws applicable to such Document as chosen by the parties and the laws of the State where, we have been advised by counsel for the Lendors, such Document has actually been executed and delivered).

(c) investigation or inquiry by any governmental, administrative, regulatory or other similar body;

that, if determined adversely to any of the Companies, would prohibit any of the Companies from executing, delivering or performing any of their respective obligations under the Documents.

2.15 If a Foreign Law Document is sought to be enforced in any action or proceeding in the Province in accordance with the laws applicable to the Foreign Law Document as chosen by the parties, namely the laws of the State of New York, the courts of the Province would recognize such choice of laws provided that such choice of laws is *bona fide* (in the sense that it was not made with a view to avoiding the consequences of the laws of the jurisdiction with which the transaction has a real and substantial connection) and provided that such choice of laws is not contrary to public policy, public order or good morals as such terms are understood under the laws of the Province ("**Public Policy**"). To our current actual knowledge, the choice of the laws of the State of New York as the laws applicable to the Foreign Law Documents were not made by HMC AP LP for the purpose of evading another system of law and would not offend Public Policy in the Province.

2.16 If a Foreign Law Document is sought to be enforced in any action or proceeding in the Province in accordance with the laws applicable to the Foreign Law Document as chosen by the parties, namely the laws of the State of New York, the courts of the Province would, subject to paragraph 2.15 hereof, apply the laws of the State of New York, to the extent specifically pleaded and proved, to all issues which under conflict of laws rules in effect in the Province are characterized to be contract issues, except such New York laws found by the relevant court (i) to be procedural in nature; (ii) to be of a revenue, expropriatory or penal nature; (iii) to be inconsistent with Public Policy; or (iv) to conflict with laws of the Province (the "**Overriding Local Laws**") determined by such court to be of overriding effect. A court in the Province has, however, an inherent power to decline to hear such action or proceeding if it is contrary to Public Policy for it to do so, or if it is not the proper forum to hear such action, or if concurrent proceedings are being brought elsewhere. Based solely on our review of the Foreign Law Document, and subject to the assumptions and qualifications provided for in this opinion, the Overriding

Local Laws would not impair the enforceability of the Foreign Law Document against HMC AP LP.

2.17 The laws of the Province permits an action to be brought before a court of competent jurisdiction in the Province to enforce a final and conclusive judgement *in personam* against HMC AP LP in respect of the Foreign Law Documents by a court in the State of New York, which is not impeachable as void or voidable under the internal laws of the State of New York, for a sum certain if (i) the court rendering such judgement properly and appropriately exercised jurisdiction over HMC AP LP pursuant to the laws of the Province and of the laws of the State of New York; (ii) HMC AP LP was duly served with the process of the New York court or appeared to such process, (iii) such judgement was not obtained by fraud or in a manner contrary to natural justice and the enforcement of such judgement would not be inconsistent with Public Policy or contrary to any order made by the Attorney-General of Canada under the *Foreign Extraterritorial Measures Act* (Canada) or the Competition Tribunal under the *Competition Act* (Canada) in respect of certain judgements (as therein defined); (iv) the cause of action giving rise to such judgement is recognized in the Province, (v) the enforcement of such judgement does not constitute, directly or indirectly, the enforcement of foreign revenue, expropriatory or penal laws; (vi) no new admissible evidence relevant to the action is discovered prior to the rendering of judgement by the court of the Province; and (vii) there has been compliance with the *Limitations Act* (Nova Scotia) which requires that an action to enforce a foreign judgement must be commenced within a period of six years of the date of the foreign judgement.

2.18 The submission by the HMC AP LP to the non-exclusive jurisdiction of the courts of New York and the federal courts of the United States of America sitting in the Southern District of New York contained in Section 20 of the Amended and Restated Subsidiaries Guaranty would be recognized and given effect by the courts in the Province as a valid submission to the jurisdiction of such courts provided that the provisions of the Amended and Restated Subsidiaries Guaranty respecting service of process on HMC AP LP are complied with.

3. QUALIFICATIONS

3.1 The foregoing opinions are subject to the following qualifications:

(a) where we express opinions based upon the state of our knowledge, such opinions are qualified in that, except for (i) a review of the Secretary's Certificate and the Documents, and (ii) inquiries of solicitors presently with this firm who were directly involved in the preparation and negotiation of the Documents, the transactions contemplated thereby and this opinion regarding their current actual recollections, we have not made any special or additional investigations, searches or inquiries and

(b) the qualifications noted in Schedule "D" hereof.

4. RELIANCE

This opinion may be relied upon only by the Agent, the Lenders, their permitted assigns and successors and counsel to such parties for the purposes of the matters contemplated by this opinion. It may not be relied upon by any other person or for any other purpose without our prior written consent.

Yours very truly,

COX HANSON O'REILLY MATHESON

SCHEDULE "A"

Deutsche Bank Trust Company Americas
Bank of America, N.A.
Citicorp North America, Inc.
Société Générale
Calyon New York Branch
Goldman Sachs Credit Partners L.P.
The Bank of New York
Bear Stearns Corporate Lending Inc.
Wachovia Bank, National Association
The Bank of Nova Scotia
Deutsche Bank AG Canada Branch
Bank of America, N.A. (Canada Branch)
Citibank, N.A. Canadian Branch
Societe Generale (Canada)
Such other persons which become Lenders from time to time under the Amended and Restated Credit Agreement.
Willkie Farr & Gallagher
Stikeman Elliott LLP

SCHEDULE "B"
SEARCHES AND INQUIRIES

1. The PPSA to September 10, 2004 which revealed the following:
   (a) Registration No. 4432126 by Wells Fargo Bank, National Association, against Calgary Charlotte Partnership, HMC Charlotte (Calgary) Company and HMC Grace (Calgary) Company filed August 13, 2001 respecting all present and after-acquired personal property of such debtors.
   (b) Registration No. 4432055 by Wells Fargo Bank, National Association against HMC Toronto EC Company filed August 13, 2001 respecting all present and after-acquired personal property of such debtor.
   (c) Registration No. 4432046 by Wells Fargo Bank, National Association against HMC Toronto Air Company filed August 13, 2001 respecting all present and after-acquired personal property of such debtor.
   (d) Registration No. 4432028 by Wells Fargo Bank, National Association against HMC AP Canada Company filed August 13, 2001 respecting all present and after-acquired personal property of such debtor.
   (e) Registration No. 4432091 by Wells Fargo Bank, National Association against Calgary Charlotte Holdings Company filed August 13, 2001 respecting all present and after-acquired personal property of such debtor.
   (f) Registration No. 8694692 by Deutsche Bank Trust Company Americas, as Collateral Agent against HMC AP GP LLC and HMC AP LP filed September 8, 2004 respecting the Pledge and Security Agreement as amended by Registration No. 8703673 on September 10, 2004 to change reference to the date of September 9, 2004 in the General Collateral description to on or about September 10, 2004.
2. The *Bank Act* (Canada) to September 10, 2004 which revealed the following:
   (a) NIL

SCHEDULE "C"
REGISTRATIONS

Registration Number:	8694692
Registration Date:	September 8, 2004
Expiry Date:	September 8, 2011
Debtor No. 1:	HMC AP GP LLC c/o Host Marriott, L.P. 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland 20817 Attention: General Counsel
Debtor No. 2:	HMC AP LP c/o Host Marriott, L.P. 6903 Rockledge Drive, Suite 1500, Bethesda, Maryland 20817 Attention: General Counsel
Secured Party:	Deutsche Bank Trust Company Americas, as Collateral Agent 60 Wall Street, 10th Floor, New York, NY 1005 Attention: Linda Wang

General Collateral:

(1) All shares of capital stock of HMC AP Canada Company or any successor thereto and any other property of the Debtor delivered to the Secured Party from time to time pursuant to an Amended and Restated Pledge and Security Agreement dated as of September 9, 2004 among certain Pledgors, including the Debtor, and the Secured Party, as the same may be amended, restated, supplemented or replaced from time to time or any other Pledge Agreement;

(2) The issued and outstanding shares of capital stock of any corporation, companies or other bodies corporate at any time owned by the Debtor;

(3) The limited liability company interests or membership interests at any time owned by the Debtor in any limited liability company;

(4) The entries on the books of any securities intermediary pertaining to any of the foregoing;

(5) All dividends, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing;

(6) All of the Debtor's right, title and interest in any aforedescribed limited liability company or partnership;

(7) Any of the proceeds of any of the foregoing, in any form, including goods, documents of title, chattel paper, securities, instruments, money and intangibles including, without limitation, any proceeds arising out of any consolidation, subdivision, reclassification, conversion, stock dividend or similar increase or decrease in or alteration of capital or any other event and any shares acquired pursuant to the exercise of a right or offer granted or made by the Debtor to the extent that any such right or offer arises out of the ownership of any shares held by the Debtor.

Amendment:

The above registration was amended by Registration No. 8703673 on September 10, 2004 to change reference to the date of "September 9, 2004" in paragraph 1 of the General Collateral description above to "on or about September 10, 2004".

SCHEDULE "D"
QUALIFICATIONS

1. We express no opinion as to the title to any of the property charged by the Pledge and Security Agreement nor any opinion as to enforceability.
2. The rights and privileges of the Crown including, without limitation, the enforceability of the assignment of any account, security, instrument or chattel paper under which the Crown or its agents are the obligor is subject to the requirements of the *Financial Administration Act* (Canada) which provides that the transfer shall not be effectual in law until notice in prescribed form has been provided to the applicable obligor in the prescribed manner.
3. We have not conducted any inquiries or made any investigations with regard to the consents or approvals which may be required in connection with the transfer of any of the contractual interests made subject to a security interest under the Pledge and Security Agreement.
4. To the extent that the security interest or interests created under the Pledge and Security Agreement:
   (a) attaches to an intangible;
   (b) attaches to goods which are of a type that are normally used in more than one jurisdiction, if such goods are classified as equipment or inventory which are leased or held for lease to others; or
   (c) includes a non-possessory security interest in a security, chattel paper, a negotiable document of title, an instrument or money;

   the validity, perfection and effect of perfection or non-perfection of the security interest is governed by the laws of the jurisdiction in which the Company's place of business is located or, in the event it has more than one place of business, at its chief executive office at the time at which the security interest attaches.
5. We have not effected any registrations against or perfected any security interests in personal property collateral not covered by the PPSA (such as intellectual property, railway rolling stock and *Canada Shipping Act* ships and boats), nor have we effected any registrations or conducted any searches in registries or offices of public record not located in the Province of Nova Scotia.
6. In certain circumstances, such as where the Pledgee or a Secured Creditor becomes aware of a party to any of the Agreements changing

its name or amalgamating, additional PPSA registrations may be required within a prescribed period of time in order to continue or achieve perfection of the personal property security interest.

7. We have not effected any registrations against or perfected any security interest in real property collateral located in Nova Scotia.

8. An assignment of an intangible or chattel paper will not be binding upon the account debtor to the extent that the intangible or chattel paper is paid or otherwise discharged before notice of the assignment is, in fact, given to the account debtor together with a direction to pay same to the Pledgee and is further subject to the requirements of section 42 of the PPSA which include, without limitation, the requirement to provide required information in certain circumstances to the account debtor.

9. The PPSA filing in respect of the Pledge and Security Agreement expires as previously noted. We have not diarized any renewal and the Pledgee should instruct us further in a timely manner should it require us to effect any renewal.

10. Enforcement of rights under the Foreign Law Documents through courts of competent jurisdiction in Nova Scotia may require corporations to be registered and in good standing under the *Corporations Registration Act* (Nova Scotia).

11. Enforcement by the Pledgee or the Lenders of its or their rights under the Pledge and Security Agreement will require that the directors of HMC AP approve the transfer of its pledged shares.

12. We express no opinion as to the enforceability of the Documents other than in regard to the creation of the valid security interests as referred to in paragraph 2.7 of our opinion. For greater certainty our opinions as to the creations of a valid security interests are subject to our assumption above concerning their enforceability under the laws by which they are stated to be governed and:

    (a) applicable laws relating to bankruptcy, moratorium, reorganizations, insolvency and other similar laws of general application affecting the enforcement of creditors' rights generally including the power of a court to stay proceedings in the enforcement of remedies and to impose limitations on the rights of creditors to require immediate payment of amounts stated to be payable on demand prior to the expiration of a reasonable period of time after such demand is made;

    (b) general principles of equity, whether applied by a court of law or equity, which include principles:

        (i) governing the availability of specific performance, injunctive relief, the power of grant relief from forfeiture, to stay proceedings before it, to stay execution of judgments or other traditional equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the courts to which the application for such relief is made;

(ii) requiring good faith, commercial reasonableness and fair dealing in the exercise of discretionary powers; and

(iii) limiting or affecting the enforceability of provisions governing judicial discretion regarding the determination of damages and entitlement to legal fees and other costs;

(c) applicable laws regarding limitations of actions and limiting the rate of interest on judgments.

13. The security interests created by the Pledge and Security Agreement may not be enforceable in respect of proceeds that are not identifiable or traceable.

14. We express no opinion as to the rank or priority of any security interests created by the Pledge and Security Agreement.

EXHIBIT F

SECRETARY'S CERTIFICATE

I, the undersigned, the Secretary of Host Marriott Corporation, a corporation organized and existing under the laws of the State of Maryland (the "Company"), which is the sole general partner of Host Marriott, L.P., a limited partnership organized and existing under the laws of the State of Delaware (the "Operating Partnership"), DO HEREBY CERTIFY that:

1. This Certificate is furnished pursuant to the Amended and Restated Credit Agreement, dated as of September 10, 2004, among the Operating Partnership, certain Canadian subsidiaries of the Operating Partnership, Deutsche Bank Trust Company Americas, as Administrative Agent, Bank of America, N.A., as Syndication Agent, and the other agents and Lenders party thereto from time to time (the "Credit Agreement"). Unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings set forth in the Credit Agreement.

2. Attached hereto as Exhibit A is the true and correct copy of the certificate of limited partnership of the Operating Partnership, as certified by the Secretary of State of the State of Delaware, together with all amendments thereto adopted through the date hereof (the "Certificate of Limited Partnership"). On and as of the date hereof, the Certificate of Limited Partnership is in full force and effect, has not been amended or modified, except as set forth in Exhibit A, and no proceedings for the amendment, modification or rescission of such document are pending or contemplated on the date hereof.

3. Attached hereto as Exhibit B is the true and correct copy of the Second Amended and Restated Agreement of Limited Partnership for the Operating Partnership, together with all amendments thereto, which were duly adopted and are in full force and effect on the date hereof (the "Limited Partnership Agreement"). On and as of the date hereof, the Limited Partnership Agreement is in full force and effect, has not been amended or modified, except as set forth in Exhibit B, and no proceedings for the amendment, modification or rescission of such document are pending or contemplated on the date hereof.

4. Attached hereto as Exhibit C is an accurate, complete and correct copy of resolutions adopted by unanimous written consent by the Board of Directors of the Company on its own behalf and in its capacity as sole general partner of the Operating Partnership, authorizing, among other things, the execution of certain agreements and documents more particularly described therein and certain related actions. Such resolutions have not been rescinded or amended and are in full force and effect on the date hereof.

5. Each of the persons listed below is, on and as of the date hereof, a duly elected, qualified and acting officer of the Company holding the office or offices set forth below his name and the signature appearing opposite the name of each such person set forth is his genuine signature:

W. Edward Walter
Executive Vice President
and Chief Executive Officer

_____

John A. Carnella
Senior Vice President
and Treasurer

_____

William K. Kelso
Assistant Secretary

_____

IN WITNESS WHEREOF, I have hereunto set my hand in my capacity as Secretary of the Company this _____ day of September 2004.

Elizabeth Abdoo
Secretary

I, William K. Kelso, Assistant Secretary of the Company, do hereby certify that Elizabeth Abdoo, is as of the date hereof, the duly elected, qualified and acting Secretary of the Company, and that the signature set forth above is her genuine signature.

IN WITNESS WHEREOF, I have hereunto set my hand in my capacity as Assistant Secretary of the Company this _____ day of September, 2004.

William K. Kelso
Assistant Secretary

SECRETARY'S CERTIFICATE

I, the undersigned, the Secretary of each of the entities listed on Schedule 1 attached hereto, each a limited liability company organized and existing under the laws of the State of Delaware (each, a "Company" and together the "Companies"), certain of which Companies (i) are the sole general partners of the limited partnerships set forth on Schedule 2, each organized and existing under the laws of the State indicated on Schedule 2 (the "Related Limited Partnerships") or (ii) together with another Company or Related Limited Partnership set forth on Schedule 2, constitute all the general partners of the general partnerships set forth on Schedule 2, each organized and existing under the laws of the State indicated on Schedule 2 (the "Related General Partnerships" and together with the Related Limited Partnerships, the "Related Partnerships"), DO HEREBY CERTIFY that:

1. This Certificate is furnished pursuant to the Amended and Restated Credit Agreement, dated as of September 10, 2004, among Host Marriott, L.P., certain Canadian subsidiaries of Host Marriott, L.P., Deutsche Bank Trust Company Americas, as Administrative Agent, Bank of America, N.A., as Syndication Agent, and the other agents and Lenders party thereto from time to time (the "Credit Agreement"). Unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings set forth in the Credit Agreement.

2. Attached hereto as Exhibit A are the true and correct copies of the certificates of formation for each Company, each as certified by the Secretary of State of the State of Delaware, together with all amendments thereto adopted through the date hereof (each a "Certificate of Formation"). On and as of the date hereof, each Certificate of Formation is in full force and effect, has not been amended or modified, except as set forth in Exhibit A, and no proceedings for the amendment, modification or rescission of such document are pending or contemplated on the date hereof.

3. Attached hereto as Exhibit B are the true and correct copies of the limited liability company agreements for each Company, together with all amendments thereto, which were duly adopted and are in full force and effect on the date hereof (each an "Operating Agreement"). On and as of the date hereof, each Operating Agreement is in full force and effect, has not been amended or modified, except as set forth in Exhibit B, and no proceedings for the amendment, modification or rescission of such document are pending or contemplated on the date hereof.

4. Attached hereto as Exhibit C are the true and correct copies of the certificates of limited partnership for each Related Limited Partnership, each as certified by the Office of the Secretary of State of the State of its formation, together with all amendments thereto adopted through the date hereof (each a "Certificate of Limited Partnership"). On and as of the date hereof, each Certificate of Limited Partnership is in full force and effect, has not been amended or modified, except as set forth in Exhibit C, and no proceedings for the amendment, modification or rescission of such document are pending or contemplated on the date hereof.

5. Attached hereto as Exhibit D are the true and correct copies of the agreements of limited partnership for each Related Limited Partnership, together with all

amendments thereto, which were duly adopted and are in full force and effect on the date hereof (each a "Limited Partnership Agreement"). On and as of the date hereof, each Limited Partnership Agreement is in full force and effect, has not been amended or modified, except as set forth in Exhibit D, and no proceedings for the amendment, modification or rescission of such document are pending or contemplated on the date hereof.

6. Attached hereto as Exhibit E are the true and correct copies of the agreements of general partnership for each of the Related General Partnerships, together with all amendments thereto adopted through the date hereof, which were duly adopted and are in full force and effect on the date hereof (each a "General Partnership Agreement"). On and as of the date hereof, each General Partnership Agreement is in full force and effect, has not been amended or modified, except as set forth in Exhibit E, and no proceedings for the amendment, modification or rescission of such document are pending or contemplated on the date hereof.

7. Attached hereto as Exhibit F is an accurate, complete and correct copy of resolutions adopted by unanimous written consent by the Board of Managers of each Company on its own behalf and in its capacity as sole general partner of each Related Limited Partnership or in its capacity as a general partner, or as a general partner of a general partner, of each Related General Partnership, authorizing, among other things, the execution of certain agreements and documents more particularly described therein and certain related actions. Such resolutions have not been rescinded or amended and are in full force and effect on the date hereof.

8. Each of the persons listed below is, on and as of the date hereof, a duly elected, qualified and acting officer of each Company holding the office or offices set forth below his name and the signature appearing opposite the name of each such person set forth is his genuine signature:

W. Edward Walter
President _____

John A. Carnella
Vice President _____

Susan E. Wallace
Assistant Secretary _____

IN WITNESS WHEREOF, I have hereunto set my hand in my capacity as Secretary of each Company this _____ day of September 2004.

William K. Kelso
Secretary

I, Susan E. Wallace, Assistant Secretary of each Company, do hereby certify that William K. Kelso, is as of the date hereof, the duly elected, qualified and acting Secretary of each Company, and that the signature set forth above is his genuine signature.

IN WITNESS WHEREOF, I have hereunto set my hand in my capacity as Assistant Secretary of each Company this _____ day of September, 2004.

Susan E. Wallace
Assistant Secretary

Schedule 1

THE COMPANIES

Airport Hotels LLC
Chesapeake Financial Services LLC
Durbin LLC
Farrell's Ice Cream Parlour Restaurants LLC
Fernwood Hotel LLC
HMC Amelia I LLC
HMC Amelia II LLC
HMC AP GP LLC
HMC Atlanta LLC
HMC BCR Holdings LLC
HMC Burlingame LLC
HMC Capital LLC
HMC Capital Resources LLC
HMC Charlotte GP LLC
HMC Chicago LLC
HMC Copley LLC
HMC Desert LLC
HMC Diversified LLC
HMC East Side II LLC
HMC Gateway LLC
HMC Georgia LLC
HMC Grand LLC
HMC Hanover LLC
HMC Hartford LLC
HMC Headhouse Funding LLC
HMC Host Restaurants LLC
HMC Hotel Development LLC
HMC HPP LLC
HMC HT LLC
HMC IHP Holdings LLC
HMC JWDC GP LLC
HMC JWDC LLC
HMC Lenox LLC
HMC Manhattan Beach LLC
HMC Market Street LLC
HMC Maui LLC
HMC Mexpark LLC
HMC NGL LLC
HMC OLS I LLC
HMC OP BN LLC
HMC Pacific Gateway LLC
HMC Palm Desert LLC
HMC Park Ridge LLC
HMC PLP LLC
HMC Polanco LLC
HMC Potomac LLC
HMC Properties I LLC
HMC Properties II LLC
HMC Property Leasing LLC
HMC SBM Two LLC
HMC Seattle LLC
HMC SFO LLC
HMC Suites LLC
HMC Swiss Holdings LLC
HMC Toronto Airport GP LLC
HMC Toronto EC GP LLC
HMH General Partner Holdings LLC
HMH Marina LLC
HMH Norfolk LLC
HMH Pentagon LLC
HMH Restaurants LLC
HMH Rivers LLC
HMH WTC LLC
HMT Lessee Parent LLC
Host La Jolla LLC
Host Park Ridge LLC
Ivy Street Hopewell LLC
Ivy Street LLC
Market Street Host LLC
MDSM Finance LLC
Philadelphia Airport Hotel LLC
PM Financial LLC
PRM LLC
Rockledge Hotel LLC
S.D. Hotels LLC
Santa Clara HMC LLC
Times Square GP LLC
Times Square LLC
YBG Associates LLC

Schedule 2

THE RELATED PARTNERSHIPS

Related Limited Partnership	Sole General Partner	Jurisdiction of Organization of Limited Partnership
Chesapeake Hotel Limited Partnership	HMC PLP LLC	Delaware
City Center Hotel Limited Partnership	Host La Jolla LLC	Minnesota
HMC AP LP	HMC AP GP LLC	Delaware
HMC Charlotte LP	HMC Charlotte GP LLC	Delaware
HMC Diversified American Hotels, L.P.	HMC Diversified LLC	Delaware
HMC OLS I L.P.	HMC OLS I LLC	Delaware
HMC OLS II L.P	HMC OLS I LLC	Delaware
HMC Retirement Properties L.P.	Durbin LLC	Delaware
HMC Suites Limited Partnership	HMC Suites LLC	Delaware
HMC Toronto Airport LP	HMC Toronto Airport GP LLC	Delaware
HMC Toronto EC LP	HMC Toronto EC GP LLC	Delaware
HMC/Interstate Manhattan Beach, L.P.	HMC Manhattan Beach LLC	Delaware
HMH Norfolk, L.P.	HMH Norfolk LLC	Delaware
HMH Rivers, L.P.	HMH Rivers LLC	Delaware
Host of Boston, Ltd.	Airport Hotels LLC	Massachusetts
Host of Houston, Ltd.	Airport Hotels LLC	Texas
New Market Street LP	HMC Market Street LLC	Delaware
PM Financial LP	PM Financial LLC	Delaware
Potomac Hotel Limited Partnership	HMC Potomac LLC	Delaware
Wellsford-Park Ridge HMC Hotel Limited Partnership	Host Park Ridge LLC	Delaware

Related General Partnership	General Partners	Jurisdiction of Organization of General Partnership
Ameliatel	HMC Amelia I LLC (99% GP) HMC Amelia II LLC (1% GP)	Florida
Host of Houston 1979	Airport Hotels LLC (99% GP) Host of Houston, Ltd. (1% GP)	Texas

EXHIBIT G

AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

Filed separately as an Exhibit to this Current Report on Form 8-K

EXHIBIT H

AMENDED AND RESTATED SUBSIDIARIES GUARANTY

Filed separately as an Exhibit to this Current Report on Form 8-K

EXHIBIT I

SOLVENCY CERTIFICATE

I, the undersigned, Senior Vice President of Host Marriott, L.P., a Delaware limited partnership (the "U.S. Borrower"), DO HEREBY CERTIFY that:

1. This Certificate is furnished pursuant to the Amended and Restated Credit Agreement, dated as of September 10, 2004, among the U.S. Borrower, each Canadian Revolving Loan Borrower from time to time party thereto, the Lenders from time to time party thereto and Deutsche Bank Trust Company Americas, as Administrative Agent (as amended, modified or supplemented from time to time, the "Credit Agreement"). Unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings set forth in the Credit Agreement.

2. On a Pro Forma Basis after giving effect to all Indebtedness (including the Revolving Loans) being incurred or assumed and Liens created by each Credit Party in connection therewith, (x) the sum of the assets, at a fair valuation, of the U.S. Borrower and its Subsidiaries (taken as a whole) and the U.S. Borrower (on a stand-alone basis) will exceed their respective debts, (y) the U.S. Borrower and its Subsidiaries (taken as a whole) and the U.S. Borrower (on a stand-alone basis) have not incurred and do not intend to incur, and do not believe that they will incur, debts beyond their ability to pay such debts as debts mature and (z) the U.S. Borrower and its Subsidiaries (taken as a whole) and the U.S. Borrower (on a stand-alone basis) have sufficient capital with which to conduct their respective businesses. For purposes of this Certificate, "debt" means any liability on a claim, and "claim" means (i) the right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, secured or unsecured, in each case, to the extent of the reasonably anticipated liability thereof, as determined by the U.S. Borrower in good faith or (ii) the absolute right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

IN WITNESS WHEREOF, I have hereunto set my hand this __ day of September, 2004.

HOST MARRIOTT, L.P.

By: Host Marriott Corporation, its General Partner

Name: **John A. Carnella**
Title: **Senior Vice President**

EXHIBIT J

ADDITIONAL REVOLVING LOAN COMMITMENT AGREEMENT

[Name(s) of Lender(s)]

[Date]

Host Marriott, L.P.
6903 Rockledge Drive, Suite 1500
Bethesda, Maryland 2081

re Additional Revolving Loan Commitment

Ladies and Gentlemen:

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of September 10, 2004 (as amended, modified or supplemented from time to time, the "Credit Agreement"), among Host Marriott, L.P. (the "U.S. Borrower" or "you"), each Canadian Revolving Loan Borrower from time to time party thereto, the lenders from time to time party thereto (the "Lenders") and Deutsche Bank Trust Company Americas, as Administrative Agent (the "Administrative Agent"). Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings set forth in the Credit Agreement.

Each Lender (each an "Additional Revolving Loan Lender") party to this letter agreement (this "Agreement") hereby severally agrees to provide the Additional Revolving Loan Commitment set forth opposite its name on Annex I attached hereto (for each such Additional Revolving Loan Lender, its "Additional Revolving Loan Commitment"). Each Additional Revolving Loan Commitment provided pursuant to this Agreement shall be subject to the terms and conditions set forth in the Credit Agreement, including Section 2.16 thereof.

Each Additional Revolving Loan Lender and the U.S. Borrower acknowledge and agree that, with respect to the Additional Revolving Loan Commitment provided by such Additional Revolving Loan Lender pursuant to this Agreement, such Additional Revolving Loan Lender shall receive an upfront fee equal to that amount set forth opposite its name on Annex I attached hereto, which upfront fee shall be due and payable to such Additional Revolving Loan Lender on the effective date of this Agreement.

Each Additional Revolving Loan Lender party to this Agreement, to the extent that it is not already a Lender under the Credit Agreement, (i) confirms that it has received a copy of the Credit Agreement and the other Credit Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement and to become a Lender under the Credit Agreement, (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, (iii) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to the Administrative Agent and the Collateral Agent, as the case may be, by the terms

thereof, together with such powers as are reasonably incidental thereto, (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender, and (v) in the case of each such Additional Revolving Loan Lender organized under the laws of a jurisdiction outside the United States, attaches the applicable forms described in Section 5.04(b) of the Credit Agreement certifying as to its entitlement to a complete exemption from United States withholding taxes with respect to all payments to be made under the Credit Agreement and the other Credit Documents.

The effective date of this Agreement shall be _____, _____ [insert a date on or prior to the 10th Business Day after the date hereof].

You may accept this Agreement by signing the enclosed copies in the space provided below, and returning one copy of same to us before the close of business on _____ __, ____. If you do not so accept this Agreement by such time, our Additional Revolving Loan Commitments set forth in this Agreement shall be deemed cancelled.

After the execution and delivery to the Administrative Agent of a fully executed copy of this Agreement (including by way of counterparts and by fax) by the parties hereto, this Agreement may only be changed, modified or varied by written instrument in accordance with the requirements for the modification of Credit Documents pursuant to Section 14.11 of the Credit Agreement.

* * *

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

Very truly yours,

[NAME OF LENDER]

By _____
Name:
Title:

Agreed and Accepted

this __ day of _____, ____:

HOST MARRIOTT, L.P.

By: Host Marriott Corporation,
its General Partner

By: _____
Name:
Title:

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Administrative Agent

By: _____
Name:
Title:

ANNEX I TO EXHIBIT J

Name of Lender	Amount of Additional Revolving Loan Commitment	Upfront Fee
Total		

EXHIBIT K

FORM OF CORPORATE FORECAST

Summary Financial Model

Host Marriott Executive Summary ***Case Name: Base Case***	**2004 Forecast**
Performance	
Adjusted EBITDA	
Cash Interest Expense (including prepayment premiums)	
FFO - Diluted	
Dividend/share	
Balance Sheet Detail	**YE 2004**
Debt	
Mortgage Debt	
Bond Debt	
Line Debt	
Other Debt	
Total Debt	
Cash & Short Term Receivables	
QUIPS	
Perpetual Preferred	
Common Equity Market Cap	
TEV	
Credit Tests (pro forma)	
Leverage Ratio (Net)	
Unsecured Interest Coverage Ratio	
Fixed Charge Coverage Ratio	
HMT Corporate Model - CONFIDENTIAL	All Amounts $ 000s

Cash Flow Analysis

Cash Analysis *Case Name: Base Case*	2004 Forecast
Beginning Cash Balance	
Historical EBITDA	
FF&E	
Other Capex	
Cash Interest	
NY Marquis Ground Rent	
QUIPS	
Annual Tax Payments	
Perpetual Pref Div	
Amortization of Mortgage / Other Debt	
Other (Rest Term Fees, chg in rent, other)	
Common/OP Unit Dividend	
Outside Unit Holder Distribution	
Free Cash Flow	
Sources of Cash	
New Convertible Debt	
New Senior Notes	
New Mortgage / Other Debt	
Equity Issuance	
MFI Loan Repayment	
Revolver Draws	
Perpetual Preferred	
Asset Sales, net	
Total Sources	
Uses of Cash	
Financing and Acquisition Costs	
Premiums on Sr. Note Repurchase	
Other Liabilities (Q4, 04 - Eastside)	
Contingencies & Extraordinary Charges	
Repayment of Perpetual Preferred	
Canadian FX Hedge	
Repayment of Senior Notes Debt	
Repayment of Mortgage / Other Debt	
CMBS Cash Trap	
Other Secured Debt Cash (Restriction)/Release	
Acquisitions	
Owner Funded/ROI	
Capex/Acquisition Capex	
Expansions (Memphis, Orlando, Newport)	
Total Uses	
Ending Cash Balance	

EBITDA and FFO Summary

EBITDA and FFO Summary *Case Name: Base Case*	2004 Forecast
Total Hotel Revenues	
Total Hotel EBITDA	
Distributions from Non-Consolidated Partnerships	
Distributions to Minority Partners	
Interest Income (includes Sage in 2004)	
Corporate Expenses	
Other Real Estate	
Other Operating Expense	
Historical EBITDA	
Restricted Stock Award / Corp Depr Exp	
Canadian Hedge Contract Loss	
Other non-cash adjustments	
Adjusted EBITDA	
Adjustments	
GAAP Interest Expense	
GAAP Interest Exp - Premiums on Sr Notes	
QUIPS Dividends	
Current Income Tax Provision	
FFO of Minority Owners	
FFO of Non-Consolidated Subsidiaries	
Distributions to Minority Owners	
Write off of Series A Perpetual Preferred Costs	
Distributions from Non-Consolidated Partnerships	
Perpetual Preferred Dividend	
Other (Non-Cash Adjustments)	
Funds From Operations	
Plus QUIPS Dividend (if Dilutive)	
QUIPS Adjusted Funds From Operations	
Plus Minority Owner Conversion Adjustment	
Fully Diluted Funds From Operations	

All Amounts $ 000s

EXHIBIT L

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

Date _____, 20__

Reference is made to the Amended and Restated Credit Agreement described in Item 2 of Annex I hereto (as such Credit Agreement may have heretofore been and/or hereafter be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Unless defined in Annex I hereto, terms defined in the Credit Agreement are used herein as therein defined. _____ (the "Assignor") and _____ (the "Assignee") hereby agree as follows:

1. The Assignor hereby sells and assigns to the Assignee without recourse and without representation or warranty (other than as expressly provided herein), and the Assignee hereby purchases and assumes from the Assignor, that interest in and to all of the Assignor's rights and obligations under the Credit Agreement as of the date hereof which represents the percentage interest specified in Item 4 of Annex I hereto (the "Assigned Share") of all of the outstanding rights and obligations under the Credit Agreement relating to the facilities listed in Item 4 of Annex I hereto, including, without limitation, all rights and obligations with respect to (i) the Assigned Share of the Total Revolving Loan Commitment, (ii) the Assigned Share of the related Total Maximum Canadian Dollar Revolving Loan Sub-Commitment, if any, (iii) the Assigned Share of the related Total Canadian Dollar Revolving Loan Sub-Commitment in effect as of the date hereof, if any and (iv) the Assigned Share of any outstanding Revolving Loans and Letters of Credit.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim created by it; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the other Credit Documents or any other instrument or document furnished pursuant thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or the other Credit Documents or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the U.S. Borrower or any of its Subsidiaries or the performance or observance by the U.S. Borrower or any of its Subsidiaries of any of their respective obligations under the Credit Agreement or the other Credit Documents to which they are a party or any other instrument or document furnished pursuant thereto.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement and the other Credit Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption Agreement; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit

Agreement; (iii) confirms that it is an Eligible Transferee under Section 14.03(b) of the Credit Agreement; (iv) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to the Administrative Agent and the Collateral Agent, by the terms thereof, together with such powers as are reasonably incidental thereto; [and] (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement and the other Credit Documents are required to be performed by it as a Lender; [and] [(vi) to the extent legally entitled to do so, attaches the forms described in Section 14.03(b) of the Credit Agreement;][1] [and (vii) represents that it is an authorized foreign bank which at all times holds all of its interest in any Canadian Obligations in the course of its Canadian banking business for purposes of subsection 212(13.3) of the Income Tax Act (Canada), or, based on applicable law in effect on the date hereof, that it is otherwise not subject to deduction or withholding of Canadian Taxes with respect to any payments to such Assignee of interest, fees, commissions, or any other amount payable by any Canadian Revolving Loan Borrower under the Credit Documents.][2]

4. Following the execution of this Assignment and Assumption Agreement by the Assignor and the Assignee, an executed original hereof (together with all attachments) will be delivered to the Administrative Agent. The effective date of this Assignment and Assumption Agreement shall be the date of execution hereof by the Assignor and the Assignee, the receipt of the consent of the Administrative Agent and the U.S. Borrower to the extent required by Section 14.03(b) and (d) of the Credit Agreement, the receipt by the Administrative Agent of the administrative fee referred to in such Section 14.03(b) and the recordation of the assignment effected hereby on the Register by the Administrative Agent as provided in Section 14.15 of the Credit Agreement, or such later date, if any, which may be specified in Item 5 of Annex I hereto (the "Settlement Date").

5. Upon the delivery of a fully executed original hereof to the Administrative Agent, as of the Settlement Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Assumption Agreement, have the rights and obligations of a Lender thereunder and under the other Credit Documents and (ii) the Assignor shall, to the extent provided in this Assignment and Assumption Agreement, relinquish its rights (except under Sections 2.11, 2.12, 3.06, 5.04 and 14.01 of the Credit Agreement in respect of the period prior to the Settlement Date) and be released from its obligations under the Credit Agreement and the other Credit Documents.

6. It is agreed that the Assignee shall be entitled to (x) all interest on the Assigned Share of the Revolving Loans at the rates specified in Item 6 of Annex I; (y) all Commitment Commission (if applicable) at the rate specified in Item 7 of Annex I hereto; and (z) all Letter of Credit Fees (if applicable) on the Assignee's participation in all Letters of Credit at the rate specified in Item 8 of Annex I hereto, which, in each case, accrue on and after the Settlement

---

[1] Include if the Assignee is organized under the laws of a jurisdiction outside of the United States.

[2] Include if the Assignee is assuming a Canadian Dollar Revolving Loan Sub-Commitment and is not a resident in Canada for the purpose of the Income Tax Act (Canada).

Date, such interest and, if applicable, Commitment Commission and Letter of Credit Fees, to be paid by the Administrative Agent directly to the Assignee. It is further agreed that all payments of principal made on the Assigned Share of the Revolving Loans which occur on and after the Settlement Date will be paid directly by the Administrative Agent to the Assignee. Upon the Settlement Date, the Assignee shall pay to the Assignor an amount specified by the Assignor in writing which represents the Assigned Share of the principal amount of the respective Revolving Loans made by the Assignor pursuant to the Credit Agreement which are outstanding on the Settlement Date. The Assignor and the Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Settlement Date directly between themselves.

7. THIS ASSIGNMENT AND ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Assignment and Assumption Agreement, as of the date first above written, such execution also being made on Annex I hereto.

Accepted this _____ day
of _____, 20__

[NAME OF ASSIGNOR]
as Assignor

By _____
Title:

[NAME OF ASSIGNEE]
as Assignee

By _____
Title:

[Acknowledged and Agreed as of _____ _____, 20__:

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Administrative Agent

By _____
Title:][3]

HOST MARRIOTT, L.P.
By: Host Marriott Corporation, its General Partner

By _____
Title:][4]

Deutsche Bank Trust Company Americas,
as an Issuing Bank

By _____
Title:

[3] The consent of the Administrative Agent is required for assignments pursuant to Section 14.03(b)(y) of the Credit Agreement.

[4] At any time when no Default or Event of Default is in existence, the approval of the U.S. Borrower is required with respect to all assignments pursuant to Section 14.03(b)(y) of the Credit Agreement.

ANNEX FOR ASSIGNMENT AND ASSUMPTION AGREEMENT

1. U.S. Borrowers: Host Marriott, L.P.

   Canadian Revolving Loan Borrowers: Calgary Charlotte Partnership
   HMC Toronto Air Company
   HMC Toronto EC Company
   HMC AP Canada Company

2. Name and Date of Credit Agreement:

   Amended and Restated Credit Agreement, dated as of September 10, 2004, among Host Marriott, L.P., each Canadian Revolving Loan Borrower from time to time party thereto, various lenders from time to time party thereto (the "Lenders") and Deutsche Bank Trust Company Americas, as Administrative Agent for such Lenders.

3. Date of Assignment Agreement: _____

4. Amounts (as of date of item #3 above):

	Total Revolving Loan Commitment	Total Maximum Canadian Dollar Revolving Loan Sub-Commitment	Total Canadian Dollar Revolving Loan Sub-Commitment*
a. Aggregate Amount for Lenders	$	$	$
b. Assigned Share	%	%	%
c. Amount of Assigned Share	$	$	$

* As of the date hereof.

	Outstanding Principal of Dollar Revolving A Loans	Outstanding Principal of Dollar Revolving B Loans	Outstanding Principal of Canadian Revolving A Loans	Outstanding Principal of Canadian Revolving B Loans
a. Aggregate Amount for Lenders	$	$	Cdn.$	Cdn.$
b. Assigned Share	%	%	%	%
c. Amount of Assigned Share	$	$	Cdn.$	Cdn.$

5. Settlement Date:

6. Rate of Interest to the Assignee: As set forth in Section 2.09 of the Credit Agreement (unless otherwise agreed to by the

Assignor and the Assignee)[1]

7. Commitment Commission: As set forth in Section 4.01(a) of the Credit Agreement (unless otherwise agreed to by the Assignor and the Assignee)[2]

8. Letter of Fees to the Assignee: As set forth in Section 3.01(b) of the Credit Agreement (unless otherwise agreed to by the Assignor and the Assignee)[3]

9. Notice:

ASSIGNOR:

_____
_____
_____
_____

Attention:
Telephone:
Telecopier:
Reference:

ASSIGNEE:

_____
_____
_____
_____

Attention:
Telephone:
Telecopier:
Reference:

---

[1] The Borrowers and the Administrative Agent shall direct the entire amount of the interest to the Assignee at the rate set forth in Section 2.09 of the Credit Agreement, with the Assignor and Assignee effecting the agreed upon sharing of the interest through payments by the Assignee to the Assignor.

[2] Insert "Not Applicable" in lieu of text if no portion of the Total Revolving Loan Commitment is being assigned. Otherwise, the U.S. Borrower and the Administrative Agent shall direct the entire amount of the Commitment Commission to the Assignee at the rate set forth in Section 4.01(a) of the Credit Agreement, with the Assignor and the Assignee effecting the agreed upon sharing of the Commitment Commission through payment by the Assignee to the Assignor.

[3] Insert "Not Applicable" in lieu of text if no portion of the Total Revolving Loan Commitment is being assigned. Otherwise, the Dollar Revolving Loan Borrowers and the Administrative Agent shall direct the entire amount of the Letter of Credit Fees to the Assignee at the rate set forth in Section 4.01(b) of the Credit Agreement, with the Assignor and the Assignee effecting the agreed upon sharing of Letter of Credit Fees through payment by the Assignee to the Assignor.

Payment Instructions:

ASSIGNOR:

_____
_____
_____
_____

Attention:
Reference:

ASSIGNEE:

_____
_____
_____
_____

Attention:
Reference:

Accepted and Agreed:

[NAME OF ASSIGNEE]

By _____

[NAME OF ASSIGNOR]

By _____

EXHIBIT M

SENIOR NOTE INDENTURE AND THE TWELFTH SUPPLEMENTAL INDENTURE

Filed separately as Exhibit 4.4 to Host Marriott Corporation's annual report on Form 10-K for the year ended December 31, 2002 and Exhibit 4.11 to Host Marriott L.P.'s annual report on Form 10-K
for the year ended December 31, 2003

EXHIBIT 10.44

AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

among

The Pledgors Named Herein

and

DEUTSCHE BANK TRUST COMPANY AMERICAS,

as Collateral Agent

dated as of September 10, 2004

Table of Contents

AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT, dated as of September 10, 2004 (as amended, modified or supplemented from time to time, this "Agreement"), made by each of the undersigned pledgors (each a "Pledgor", and together with any entity that becomes a party hereto pursuant to Section 22 hereof, the "Pledgors"), in favor of DEUTSCHE BANK TRUST COMPANY AMERICAS, as Collateral Agent, for the benefit of the Secured Creditors (as defined in Section 1 below) (in such capacity, the "Pledgee"). (Except as otherwise defined herein, terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.)

W I T N E S S E T H :

WHEREAS, Host Marriott, L.P. (the "U.S. Borrower"), each Canadian Revolving Loan Borrower from time to time party thereto (a "Canadian Revolving Loan Borrower"), various lenders from time to time party thereto (the "Lenders"), Deutsche Bank Trust Company Americas, as the Administrative Agent (in such capacity and together with any successor thereto, the "Administrative Agent"), the Syndication Agents and Co-Documentation Agents party thereto (together with the Pledgee, the Lenders, the Co-Documentation Agents, the Administrative Agent and their respective successors and assigns, the "Lender Creditors"), have entered into a Credit Agreement dated as of June 6, 2002 (the "Original Credit Agreement"), as amended and restated by the Amended and Restated Credit Agreement dated as of the date hereof (as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, and including any agreement extending the maturity of, or refinancing or restructuring, including, but not limited to, the inclusion of additional borrowers or guarantors thereunder or any increase in the amount borrowed, the "Credit Agreement"), providing for the making of Loans and other extensions of credit to the U.S. Borrower and the Canadian Revolving Loan Borrowers as contemplated therein;

WHEREAS, each Borrower may from time to time be party to (or guaranty the obligations of one or more of its Subsidiaries under) one or more Interest Rate Protection Agreements and/or Other Hedging Agreements that by its terms requires the obligations of such Borrower under such Interest Rate Protection Agreement or Other Hedging Agreement be secured by the Collateral (as hereinafter defined) (such Interest Rate Protection or Other Hedging Agreement, a "Secured Hedging Agreement") with a Lender Creditor or an affiliate of a Lender Creditor (each such Lender Creditor or affiliate, even if the respective Lender Creditor subsequently ceases to be a Lender under the Credit Agreement for any reason, together with such Lender Creditor's or affiliate's successors and assigns, collectively, the "Other Creditors");

WHEREAS, pursuant to the Amended and Restated Subsidiaries Guaranty, each Guarantor that is a Domestic Subsidiary (a "Domestic Guarantor") has jointly and severally guaranteed to the Lender Creditors and the Other Creditors the payment when due of all obligations and liabilities of the Borrowers under or with respect to (x) the Credit Documents (as used herein, the term "Credit Documents" shall have the meaning provided in the Credit Agreement and shall include any documentation executed and delivered in connection with any replacement or refinancing of the Credit Agreement) and (y) each Secured Hedging Agreement with one or more of the Other Creditors;

WHEREAS, on the date hereof, there remain outstanding (A) $5,885,000 $9^3/_8$% Debentures due June 2007, (B) $6,848,000 10% Series L Senior Notes due May 2012, and (C) pursuant to the Amended and Restated Indenture, dated as of August 5, 1998, among the U.S. Borrower, the guarantors and subsidiary guarantors named therein and Marine Midland Bank, as trustee (the "Senior Note Indenture") (i) $305,063,000 $7^7/_8$% Series B Senior Notes due August 2008, (ii) $300,000,000 8^3_8% Series E Senior Notes due February 2006, (iii) $242,000,000 $9^1/_4$% Series G Senior Notes due October 2007, (iv) $450,000,000 91/2% Series I Senior Notes due January 2007, (v) $725,000,000 7^1/8% Series K Senior Notes due November 2013, (vi) $350,000,000 7% Series L Senior Notes due August 2012, and (vii) $500,000,000 3.25% Exchangeable Debentures due 2024 (each of the issuances described in subclauses (A) through (C) above, collectively, together with any other issue of senior notes pursuant to the Senior Note Indenture not in violation of the terms of the Credit Agreement, the "Senior Notes" it being conclusively determined for purposes of this definition that such Senior Notes issued after the date hereof were issued in compliance with the Credit Agreement if prior to issuance thereof the U.S. Borrower shall have delivered to the Pledgee a certificate of an Authorized Officer certifying that the Senior Notes specified in such Certificate have been issued in compliance with the Credit Agreement (with the holders from time to time of such Senior Notes being herein called the "Senior Noteholders");

WHEREAS, various of the Pledgors have issued, or in the future may enter into, guarantees of the payment when due of all of the obligations and liabilities of the U.S. Borrower under or with respect to the Senior Notes and the Senior Note Indenture (with any such guarantees, together with the Senior Notes and Senior Note Indenture, being herein collectively called "Senior Note Documents");

WHEREAS, it was a condition precedent to the Original Credit Agreement that each pledgor party thereto shall have executed and delivered to the Pledgee, the Pledge and Security Agreement dated as of June 6, 2002 (the "Original Pledge Agreement");

WHEREAS, it is a condition precedent to the Credit Agreement that each Pledgor shall have executed and delivered to the Pledgee this Agreement which amends and restates the Original Pledge Agreement; and

WHEREAS, each Pledgor desires to execute this Agreement to satisfy the conditions described in the immediately preceding paragraph;

NOW, THEREFORE, in consideration of the benefits accruing to each Pledgor, the receipt and sufficiency of which are hereby acknowledged, each Pledgor hereby amends and restates the Original Pledge Agreement in its entirety as set forth herein:

1. SECURITY FOR OBLIGATIONS. (a) This Agreement is made by each Pledgor in favor of the Pledgee for the benefit of the Lender Creditors, the Other Creditors, the Senior Noteholders, and any trustee, agent or other similar representative of any such creditors or holders (collectively, together with the Pledgee, the "Secured Creditors"), to secure on an equal and ratable basis:

(i) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due) and

liabilities (including, without limitation, indemnities, fees and interest thereon) of such Pledgor (as obligor or guarantor, as the case may be) and each Borrower to the Lender Creditors, whether now existing or hereafter incurred under, arising out of or in connection with the Credit Agreement and all other Credit Documents to which it is at any time a party (including, without limitation, all such obligations and liabilities of such Pledgor under the Credit Agreement (if a party thereto) and under any guaranty by it of the obligations under the Credit Agreement) and the due performance and compliance by such Pledgor with the terms of each such Credit Document (all such obligations and liabilities under this clause (i) being herein collectively called the "Credit Document Obligations");

(ii) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due) and liabilities of such Pledgor (as obligor or guarantor, as the case may be) to the Other Creditors, whether now existing or hereafter incurred under, arising out of or in connection with any Secured Hedging Agreement (including, without limitation, all such obligations and liabilities of such Pledgor under any guaranty by it of the obligations under any Secured Hedging Agreement) and the due performance and compliance by such Pledgor with the terms of each such Secured Hedging Agreement (all such obligations and liabilities under this clause (ii) being herein collectively called the "Other Obligations");

(iii) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due) and liabilities (including, without limitation, indemnities, fees and interest thereon) of such Pledgor (as obligor or guarantor, as the case may be) to the Senior Noteholders, whether now existing or hereafter incurred under, arising out of or in connection with the Senior Note Documents to which such Pledgor is at any time a party (including, without limitation, all such obligations and liabilities of such Pledgor under the Senior Note Indenture or any guaranty by it of the obligations under the Senior Note Indenture) and the due performance and compliance by such Pledgor with all of the terms, conditions and agreements on its part contained in each such Senior Note Document (all such obligations and liabilities under this clause (iii) being herein collectively called the "Senior Note Obligations");

(iv) any and all sums advanced by the Pledgee in order to preserve the Collateral (as hereinafter defined) or preserve its security interest in the Collateral;

(v) in the event of any proceeding for the collection or enforcement of any indebtedness, obligations, or liabilities referred to in clauses (i) through (iv) above after an Event of Default (such term, as used in this Agreement, shall mean (a) any "Event of Default" at any time under, and as defined in, any of the Credit Agreement and the Senior Note Documents, and (b) any payment default (after the expiration of any applicable grace period) on any of the Obligations secured hereunder at such time) shall have occurred and be continuing, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing or realizing on the Collateral, or of any

exercise by the Pledgee of its rights hereunder, together with reasonable attorneys' fees and court costs; and

(vi) all amounts paid by any Secured Creditor as to which such Secured Creditor has the right to reimbursement under Section 11 of this Agreement;

all such obligations, liabilities, sums and expenses set forth in clauses (i) through (vi) of this Section 1, subject to the provisions of following clause (b), being herein collectively called the "Obligations," it being acknowledged and agreed that the "Obligations" shall include extensions of credit of the type described above, whether outstanding on the date of this Agreement or extended from time to time after the date of this Agreement.

(b) The U.S. Borrower will give written notice prior to issuance to the Pledgee of any Senior Notes issued after the date hereof (each, a "Notice of Pledge Agreement Entitlement") as follows:

Such written notice from the U.S. Borrower (i) shall state that it is a "Notice of Pledge Agreement Entitlement", (ii) shall be delivered to the Pledgee, (iii) shall describe the new Senior Note Obligations to be secured hereby, (iv) shall state that it is delivered pursuant to Section 1(b) of this Amended and Restated Pledge and Security Agreement, (v) shall reference the aggregate principal amount of such new Indebtedness, and (vi) shall state that such new Indebtedness and the incurrence thereof does not violate, and may be incurred and secured hereunder in accordance with, the applicable provisions of Sections 11.02 of the Credit Agreement and Section 4.7 of the Senior Note Indenture.

Delivery of a Notice of Pledge Agreement Entitlement, including all of the required information above, prior to the issuance of any Senior Notes issued after the date hereof shall satisfy the certification requirement in the fourth WHEREAS clause of this Agreement.

2. DEFINITION OF STOCK, LIMITED LIABILITY COMPANY INTERESTS, PARTNERSHIP INTERESTS, SECURITIES, ETC. (a) As used herein: (i) the term "Stock" shall mean (x) with respect to corporations incorporated under the laws of the United States or any State or territory thereof (each a "Domestic Corporation"), all of the issued and outstanding shares of capital stock of any Domestic Corporation at any time owned by any Pledgor and (y) with respect to corporations, companies or other bodies corporate that are not Domestic Corporations (each a "Foreign Corporation"), all of the issued and outstanding shares of capital stock of any Foreign Corporation at any time owned by any Pledgor (including, without limitation, all of the issued and outstanding shares of capital stock ("ULC Shares") of any Foreign Corporation which is an unlimited company (sometimes called an "unlimited liability company") (each a "ULC") existing under the Companies Act of Nova Scotia, Canada (the "NSCA"), provided that, (A) except as provided in the last sentence of this Section 2(a) and except for Foreign Subsidiaries that are Look-Through Subsidiaries, such Pledgor shall not be required to pledge hereunder more than 65% of the total combined voting power of all classes of capital stock entitled to vote for the directors of such Foreign Corporation (herein called "Voting Stock") owned by such Pledgor of any Foreign Corporation and (B) such Pledgor shall be

required to pledge hereunder 100% of the issued and outstanding shares of all capital stock which is not Voting Stock (herein called "Non-Voting Stock") at any time owned by such Pledgor of any Foreign Corporation; (ii) the term "Limited Liability Company Interest" shall mean the entire limited liability company interests or membership interests at any time owned by each Pledgor in any limited liability company (each such limited liability company to the extent an interest therein is required to be pledged pursuant to the Credit Agreement, a "Pledged Limited Liability Company"); (iii) the term "Partnership Interest" shall mean the entire partnership interests (whether general and/or limited partnership interests) at any time owned by each Pledgor in any partnership (whether a general or limited partnership) (each such partnership, to the extent an interest therein is required to be pledged pursuant to the Credit Agreement, a "Pledged Partnership"); and (iv) the term "Securities" shall mean all of the Stock, Limited Liability Company Interests and Partnership Interests.

In the circumstances and to the extent provided in Section 10.14 of the Credit Agreement, the limitation set forth in part (A) of the proviso to clause (i)(y) of this Section 2(a) and in Section 3.2 hereof shall no longer be applicable and such Pledgor shall duly pledge and deliver to the Pledgee such of the Securities not theretofore required to be pledged hereunder.

(b) All Stock at any time pledged or required to be pledged hereunder and under the Credit Agreement is hereinafter called the "Pledged Stock," all Limited Liability Company Interests at any time pledged or required to be pledged hereunder and under the Credit Agreement are hereinafter called the "Pledged Limited Liability Company Interests," all Partnership Interests at any time pledged or required to be pledged hereunder and under the Credit Agreement are hereinafter called the "Pledged Partnership Interests," and all of the Pledged Stock, Pledged Limited Liability Company Interests and Pledged Partnership Interests together are hereinafter called the "Pledged Securities," which together with (i) all proceeds thereof, including any securities and moneys received and at the time held by the Pledgee hereunder, (ii) the entries on the books of any securities intermediary pertaining to the Pledged Stock, Pledged Limited Liability Company Interests and Pledged Partnership Interests, (iii) all dividends, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Stock, Pledged Limited Liability Company Interests and Pledged Partnership Interests and (iv) all rights under Sections 3.1(a)(iv) and (v) hereof are hereinafter called the "Collateral".

(c) Notwithstanding anything to the contrary contained in this Agreement, no Pledgor shall be required to pledge hereunder the Securities of a Person as, and to the extent, that the Securities of such Person are not required to be pledged pursuant to Section 10.15(a)(2) of the Credit Agreement, and such Securities shall be excluded from the Collateral hereunder.

3. PLEDGE OF SECURITIES, ETC.

3.1 Pledge. (a) To secure all Obligations of such Pledgor and for the purposes set forth in Section 1 hereof, each Pledgor hereby: (i) grants to the Pledgee for the benefit of the Secured Creditors a first priority security interest in all of the Collateral owned by such Pledgor; (ii) pledges and deposits as security with the Pledgee for the benefit of the Secured Creditors the certificated Pledged Securities owned by such Pledgor on the date hereof, and delivers to the Pledgee all certificates or instruments therefor, if any, accompanied by undated stock powers duly executed in blank by such Pledgor in the case of Pledged Stock, or such other instruments

of transfer as are reasonably acceptable to the Pledgee; (iii) (except in the case of ULC Shares) assigns, (except in the case of ULC Shares) transfers, and (in each case) hypothecates, mortgages, charges and sets over to the Pledgee for the benefit of the Secured Creditors all of such Pledgor's right, title and interest in and to such Pledged Securities (and in and to all certificates or instruments evidencing such Pledged Securities), to be held by the Pledgee upon the terms and conditions set forth in this Agreement; (iv) transfers and assigns to the Pledgee for the benefit of the Secured Creditors all of such Pledgor's Pledged Limited Liability Company Interests (and delivers any certificates or instruments evidencing such limited liability company or membership interests, duly endorsed in blank) and all of such Pledgor's right, title and interest in each Pledged Limited Liability Company, whether now existing or hereafter acquired, including, without limitation:

(A) all the capital thereof and its interest in all profits, losses, Limited Liability Company Assets (as defined below) and other distributions to which such Pledgor shall at any time be entitled in respect of such Pledged Limited Liability Company Interests;

(B) all other payments due or to become due such Pledgor in respect of Pledged Limited Liability Company Interests, whether under any limited liability company agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of its claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any limited liability company agreement or operating agreement, or at law or otherwise in respect of such Pledged Limited Liability Company Interests (except any rights as managing member of a limited liability company which is not a Wholly-Owned Subsidiary, to the extent the applicable limited liability company agreement or operating agreement contains an enforceable prohibition against the creation of a security interest in such rights);

(D) all present and future claims, if any, of such Pledgor against any Pledged Limited Liability Company for moneys loaned or advanced, for services rendered or otherwise;

(E) subject to Section 5 hereof, all of such Pledgor's rights under any limited liability company agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to any Pledged Limited Liability Company Interest (except any rights as managing member of a limited liability company which is not a Wholly-Owned Subsidiary, to the extent the applicable limited liability company agreement or operating agreement contains an enforceable prohibition against the creation of a security interest in such rights), including any power to terminate, cancel or modify any limited liability company agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the name of such Pledgor in respect of such Pledged Limited Liability Company Interest and any Pledged Limited Liability Company, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing or for any Limited Liability Company Assets, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing;

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing; and

(G) to the extent not otherwise included, all proceeds of any or all of the foregoing;

and (v) transfers and assigns to the Pledgee for the benefit of the Secured Creditors such Pledgor's Pledged Partnership Interests (and delivers any certificates or instruments evidencing such partnership interests, duly endorsed in blank) and all of such Pledgor's right, title and interest in each Pledged Partnership including, without limitation:

(A) all of the capital thereof and its interest in all profits, losses, Partnership Assets (as defined below) and other distributions to which such Pledgor shall at any time be entitled in respect of any such Pledged Partnership Interests;

(B) all other payments due or to become due such Pledgor in respect of any such Pledged Partnership Interests, whether under any partnership agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of its claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any partnership or other agreement or at law or otherwise in respect of any such Pledged Partnership Interests (except any rights as general partner of a limited partnership which is not a Wholly-Owned Subsidiary, to the extent the applicable partnership agreement contains an enforceable prohibition against the creation of a security interest in such rights);

(D) all present and future claims, if any, of such Pledgor against any Pledged Partnership for moneys loaned or advanced, for services rendered or otherwise;

(E) subject to Section 5 hereof, all of such Pledgor's rights under any partnership agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to any Pledged Partnership Interest (except any rights as general partner of a limited partnership which is not a Wholly-Owned Subsidiary, to the extent the applicable partnership agreement contains an enforceable prohibition against the creation of a security interest in such rights), including any power, if any, to terminate, cancel or modify any general or limited partnership agreement, to execute any instruments and to take any and all other action on behalf of and in the name of such Pledgor in respect of such Pledged Partnership Interest and any Pledged Partnership, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing or for any Partnership Assets, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing;

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof; and

(G) to the extent not otherwise included, all proceeds of any or all of the foregoing.

(b) As used herein, the term "Limited Liability Company Assets" shall mean all assets, whether tangible or intangible and whether real, personal or mixed (including, without limitation, all limited liability company capital and interests in other limited liability companies), at any time owned by any Pledged Limited Liability Company.

(c) As used herein, the term "Partnership Assets" shall mean all assets, whether tangible or intangible and whether real, personal or mixed (including, without limitation, all partnership capital and interests in other partnerships), at any time owned by any Pledged Partnership.

3.2 Subsequently Acquired Securities. Subject to Section 2(c) hereof, if any Pledgor shall acquire (by purchase, stock dividend or otherwise) any additional Pledged Securities at any time or from time to time after the date hereof, such Securities shall automatically (and without any further action being required to be taken) be subject to the pledge and security interests created pursuant to Section 3.1(a) hereof and, furthermore, such Pledgor will within the time periods set forth in Section 10.15(c) of the Credit Agreement deliver to the Pledgee all certificates therefor or instruments thereof, if any, accompanied by undated stock powers duly executed in blank in the case of certificated Stock, Limited Liability Company Interests or Partnership Interests or such other instruments of transfer as are reasonably acceptable to the Pledgee.

3.3 Uncertificated Securities. If any Pledged Securities (whether now owned or hereafter acquired) are uncertificated securities, the respective Pledgor shall promptly notify the Pledgee thereof, and shall within the time periods set forth in Section 10.15(c) of the Credit Agreement and Section 15(d) of this Agreement take all actions required to perfect the security interest of the Pledgee granted hereby under applicable law (including, in any event, under Sections 8-106, 9-106 and 9-312 of the New York UCC, if applicable, or comparable provisions of other applicable law).

4. APPOINTMENT OF SUB-AGENTS; ENDORSEMENTS, ETC. The Pledgee shall have the right to appoint one or more sub-agents for the purpose of retaining physical possession of any Pledged Securities that are represented by certificates, which may be held (in the discretion of the Pledgee) in the name of such Pledgor, endorsed or assigned in blank or in favor of the Pledgee or any nominee or nominees of the Pledgee or a sub-agent appointed by the Pledgee. The Pledgee agrees to promptly notify the relevant Pledgor after the appointment of any sub-agent; provided, however, that the failure to give such notice shall not affect the validity of such appointment.

5. VOTING, ETC., WHILE NO EVENT OF DEFAULT. For greater certainty, unless and until an Event of Default shall have occurred and be continuing, each Pledgor shall be entitled to (i) exercise any and all voting and other consensual rights pertaining to the Pledged Stock and to give all consents, waivers or ratifications in respect thereof and (ii) exercise any and all voting, consent, administration, management and other rights and remedies under (x) any limited liability company agreement or operating agreement or otherwise with respect to the Pledged Limited Liability Company Interests of such Pledgor and (y) any partnership agreement or otherwise with respect to the Pledged Partnership Interests of such Pledgor, in each case

together with all other rights assigned pursuant to Sections 3.1(a)(iv)(E) and 3.1(a)(v)(E) hereof; provided, that no vote shall be cast or any consent, waiver or ratification given or any other action taken which would violate or be inconsistent with any of the terms of this Agreement or any other Secured Debt Agreement (as defined in Section 7 hereof), or which would have the effect of impairing the rights, priorities or remedies of the Pledgee or any other Secured Creditor under this Agreement or any other Secured Debt Agreement. Except in the case of ULC Shares which remain registered in the name of the Pledgor, all such rights of such Pledgor to vote and to give consents, waivers and ratifications shall cease in case an Event of Default shall occur and be continuing, and Section 7 hereof shall become applicable.

6. DIVIDENDS AND OTHER DISTRIBUTIONS. For greater certainty, unless an Event of Default shall have occurred and be continuing and subject to the terms of the Secured Debt Agreements, all cash dividends and other cash distributions payable in respect of the Pledged Securities shall be paid to the respective Pledgor.

Nothing contained in this Section 6 shall limit or restrict in any way the Pledgee's right to receive proceeds of the Collateral in any form in accordance with Section 3 of this Agreement. All dividends, distributions or other payments which are received by the Pledgor contrary to the provisions of this Section 6 and Section 7 below shall be received in trust for the benefit of the Pledgee for the benefit of the Secured Creditors, shall be segregated from other property or funds of the Pledgor and shall be forthwith paid over to the Pledgee as Collateral in the same form as so received (with any necessary endorsement).

7. REMEDIES IN CASE OF EVENT OF DEFAULT. In case an Event of Default shall have occurred and be continuing, the Pledgee shall be entitled to exercise all of its rights, powers and remedies (whether vested in it by this Agreement, by any other Credit Document, by any Senior Note Document or, to the extent then in effect and secured hereby, by any Secured Hedging Agreement (with all of the documents listed above being herein collectively called the "Secured Debt Agreements") or by law) for the protection and enforcement of its rights in respect of the Collateral, and the Pledgee shall be entitled to exercise all the rights and remedies of a secured party under the UCC and also shall be entitled, without limitation, to exercise the following rights, which each Pledgor hereby agrees to be commercially reasonable (provided; however the Pledgee shall not be entitled to exercise any such rights, power or remedies in respect of ULC Shares without prior notice of an Event of Default provided to the issuer of such ULC Shares):

(i) except in the case of ULC Shares which have not been transferred to the Pledgee or a nominee of the Pledgee on the register of the issuer, to receive all amounts payable in respect of the Collateral otherwise payable to such Pledgor under Section 6 hereof;

(ii) to transfer all or any part of the Pledged Securities into the Pledgee's name or the name of its nominee or nominees;

(iii) except in the case of ULC Shares which have not been transferred to the Pledgee or a nominee of the Pledgee on the register of the issuer, to vote all or any part of the Pledged Stock, Pledged Limited Liability Company Interests or Pledged Partnership Interests (whether or not transferred into the name of the Pledgee) and give all consents,

waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof; and

(iv) at any time or from time to time to sell, assign and deliver, or grant options to purchase, all or any part of the Collateral, or any interest therein, at any public or private sale, without demand of performance, advertisement or notice of intention to sell or of the time or place of sale or adjournment thereof or to redeem or otherwise (all of which are hereby waived by each Pledgor), for cash, on credit or for other property, for immediate or future delivery without any assumption of credit risk, and for such price or prices and on such terms as the Pledgee in its absolute discretion may determine; provided, that at least 10 Business Days' notice of the time and place of any such sale shall be given to such Pledgor. Every aspect of the disposition of the Collateral, including the method, manner, time, place and other terms must be commercially reasonable, it being agreed that to the extent such matters are addressed by provisions of this Agreement such provisions are commercially reasonable. Each Pledgor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security for the Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Pledgee on behalf of the Secured Creditors may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives (to the extent permitted by law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Pledgee may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Pledgor hereby waives any claims against the Pledgee arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Pledgee accepts the first offer received and does not offer such Collateral to more than one offeree. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Obligations, the Pledgors shall be liable for the deficiency and the fees of any attorneys employed by the Pledgee to collect such deficiency. Neither the Pledgee nor any other Secured Creditor shall be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing nor shall any of them be under any obligation to take any action whatsoever with regard thereto.

8. REMEDIES, ETC., CUMULATIVE. Each right, power and remedy of the Pledgee provided for in this Agreement or in any other Secured Debt Agreement or now or hereafter existing at law or in equity or by statute shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by the Pledgee or any other Secured Creditor of any one or more of the rights, powers or remedies provided for in this Agreement or in any other Secured Debt Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Pledgee or any other Secured Creditor of all such other rights, powers or remedies, and no failure or delay on the part of the Pledgee or any other Secured Creditor to exercise any such right, power or remedy shall operate as a waiver thereof.

The Secured Creditors agree that this Agreement may be enforced only by the Pledgee acting upon the instructions of the Required Secured Creditors (as defined in Section 4 of Annex G hereto) and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Pledgee for the benefit of the Secured Creditors upon the terms of this Agreement.

9. APPLICATION OF PROCEEDS. (a) All moneys collected by the Pledgee upon any sale or other disposition of the Collateral of each Pledgor, together with all other moneys received by the Pledgee hereunder, shall be applied as follows:

(i) first, to the payment of all Obligations owing to the Pledgee and the Secured Creditors of the type provided in clauses (v) and (vi) of the definition of Obligations in Section 1 hereof;

(ii) second, to the extent proceeds remain after the application pursuant to the preceding clause (i), an amount equal to the outstanding Primary Obligations (as defined in Section 9(b) below) shall be paid to the Secured Creditors as provided in Section 9(e) hereof, with each Secured Creditor receiving an amount equal to its outstanding Primary Obligations of such Pledgor or, if the proceeds are insufficient to pay in full all such Primary Obligations, its Pro Rata Share (as hereinafter defined) of the amount remaining to be distributed;

(iii) third, to the extent proceeds remain after the application pursuant to the preceding clauses (i) and (ii), an amount equal to the outstanding Secondary Obligations (as defined in Section 9(b) below) shall be paid to the Secured Creditors as provided in Section 9(e) hereof, with each Secured Creditor receiving an amount equal to its outstanding Secondary Obligations of such Pledgor or, if the proceeds are insufficient to pay in full all such Secondary Obligations, its Pro Rata Share of the amount remaining to be distributed; and

(iv) fourth, to the extent proceeds remain after the application pursuant to the preceding clauses (i) through (iii), inclusive, and following the termination of this Agreement pursuant to Section 18 hereof, to the relevant Pledgor or to whomever may be lawfully entitled to receive such surplus.

(b) For purposes of this Agreement (x) "Pro Rata Share" shall mean, when calculating a Secured Creditor's portion of any distribution or amount, that amount (expressed as a percentage) equal to a fraction the numerator of which is the then unpaid amount of such Secured Credit Primary Obligations or Secondary Obligations, as the case may be, and the denominator of which is the then outstanding amount of all Primary Obligations or Secondary Obligations, as the case may be, (y) "Primary Obligations" shall mean (i) in the case of the Credit Document Obligations, all Obligations arising out of or in connection with (including, without limitation, as obligor or guarantor, as the case may be) the principal of, and interest on, all Loans, all unreimbursed drawings or payments in respect of any letters of credit (together with all interest accrued thereon), and the aggregate stated amounts of all letters of credit issued under the Credit Agreement, and all regularly accruing fees, (ii) in the case of the Senior Note Obligations, all Obligations secured hereby arising out of or in connection with (including, without limitation, as obligor or guarantor, as the case may be) the principal of, and interest on,

the Senior Notes, and all regularly accruing fees, and (iii) in the case of the Other Obligations, all Obligations arising out of or in connection with (including, without limitation, as a direct obligor or a guarantor, as the case may be) Secured Hedging Agreements secured hereby (in each case as set forth in clauses (i) through (iii) above, other than indemnities, fees (including, without limitation, attorneys' fees) and similar obligations and liabilities), and (z) "Secondary Obligations" shall mean all Obligations of such Pledgor secured hereby other than Primary Obligations.

(c) When payments to Secured Creditors are based upon their respective Pro Rata Shares, the amounts received by such Secured Creditors hereunder shall be deemed to be applied (for purposes of making determinations under this Section 9 only) (i) first, to the Primary Obligations and (ii) second, to the Secondary Obligations.

(d) If the Lender Creditors are to receive a distribution in accordance with the procedures set forth above in this Section 9 on account of undrawn amounts with respect to letters of credit issued under the Credit Agreement, such amounts shall be paid to the Administrative Agent under the Credit Agreement and held by it, for the equal and ratable benefit of the Lender Creditors as such. If any amounts are held as cash security pursuant to the immediately preceding sentence, then upon the termination of any outstanding letter of credit, and after the application of all such cash security to the repayment of all Obligations owing to the Lender Creditors after giving effect to the termination of such letter of credit, if there remains any excess cash, such excess cash shall be returned by the Administrative Agent to the Pledgee for distribution in accordance with Section 9(a) hereof.

(e) Except as set forth in Section 9(d) hereof, all payments required to be made hereunder shall be made (i) if to the Lender Creditors, to the Administrative Agent under the Credit Agreement for the account of the Lender Creditors, and (ii) if to any other Secured Creditors (other than the Pledgee), to the trustee, paying agent or other similar representative (each a "Representative") for such Secured Creditors or, in the absence of such a Representative, directly to the other Secured Creditors.

(f) For purposes of applying payments received in accordance with this Section 9, the Pledgee shall be entitled to rely upon (i) the Administrative Agent under the Credit Agreement and (ii) the Representative for any other Secured Creditors or, in the absence of such a Representative, upon the respective Secured Creditors for a determination (which the Administrative Agent, each Representative for any other Secured Creditors and the Secured Creditors agree (or shall agree) to provide upon request of the Pledgee) of the outstanding Primary Obligations and Secondary Obligations owed to the Secured Creditors. Unless it has actual knowledge (including by way of written notice from a Representative for any Secured Creditor or directly from a Secured Creditor) to the contrary, the Pledgee, in acting hereunder, shall be entitled to assume that no Secured Hedging Agreements are in existence.

(g) It is understood and agreed that each Pledgor shall remain liable to the extent of any deficiency between the amount of the proceeds of the Collateral pledged by it hereunder and the aggregate amount of the Obligations of such Pledgor.

10. PURCHASERS OF COLLATERAL. Upon any sale of the Collateral by the Pledgee hereunder (whether by virtue of the power of sale herein granted, pursuant to judicial process or otherwise), the receipt of the Pledgee or the officer making the sale shall be a

sufficient discharge to the purchaser or purchasers of the Collateral so sold, and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Pledgee or such officer or be answerable in any way for the misapplication or nonapplication thereof.

11. INDEMNITY. Each Pledgor jointly and severally agrees (i) to indemnify and hold harmless the Pledgee in such capacity, each Representative of a Secured Creditor in its capacity as such and each other Secured Creditor that is an indemnitor under Section 6 of Annex G hereto from and against any and all claims, demands, losses, judgments and liabilities of whatsoever kind or nature, and (ii) to reimburse the Pledgee in such capacity, each Representative of a Secured Creditor in its capacity as such and each other Secured Creditor that is an indemnitor under Section 6 of Annex G hereto for all reasonable costs and expenses, including reasonable attorneys' fees, in each case to the extent growing out of or resulting from the exercise by the Pledgee of any right or remedy granted to it hereunder except, with respect to clauses (i) and (ii) above, to the extent arising from the Pledgee's or such other Secured Creditor's gross negligence or willful misconduct. In no event shall the Pledgee be liable, in the absence of gross negligence or willful misconduct on its part, for any matter or thing in connection with this Agreement other than to account for moneys actually received by it in accordance with the terms hereof. If and to the extent that the obligations of the Pledgors under this Section 11 are unenforceable for any reason, each Pledgor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law.

12. FURTHER ASSURANCES; POWER OF ATTORNEY. (a) Each Pledgor agrees that it will join with the Pledgee in executing and, at such Pledgor's own expense, file and refile under the applicable UCC or such other law such financing statements, continuation statements and other documents in such offices as the Pledgee may reasonably deem necessary or appropriate and wherever required or permitted by law in order to perfect and preserve the Pledgee's security interest in the Collateral and hereby authorizes the Pledgee to file financing statements and amendments thereto relative to all or any part of the Collateral without the signature of such Pledgor where permitted by law, and agrees to do such further acts and things and to execute and deliver to the Pledgee such additional conveyances, assignments, agreements and instruments as the Pledgee may reasonably deem necessary or advisable to carry into effect the purposes of this Agreement or to further assure and confirm unto the Pledgee its rights, powers and remedies hereunder.

(b) Each Pledgor hereby appoints the Pledgee such Pledgor's attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor or otherwise, to act from time to time after the occurrence and during the continuance of an Event of Default in the Pledgee's reasonable discretion to take any action and to execute any instrument which the Pledgee may deem necessary or advisable to accomplish the purposes of this Section 12. Such appointment is coupled with an interest and is irrevocable.

13. THE PLEDGEE AS AGENT. The Pledgee will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood and agreed that the obligations of the Pledgee as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement. The Pledgee shall act hereunder on the terms and

conditions set forth herein and in Annex G hereto, the terms of which shall be deemed incorporated herein by reference as fully as if same were set forth herein in their entirety.

14. TRANSFER BY PLEDGORS. No Pledgor will sell or otherwise dispose of, grant any option with respect to, or mortgage, pledge or otherwise encumber any of the Collateral or any interest therein (except in accordance with the terms of this Agreement and as permitted by the terms of the Secured Debt Agreements).

15. REPRESENTATIONS, WARRANTIES AND COVENANTS OF PLEDGORS. (a) Each Pledgor represents, warrants and covenants that:

(i) it is the legal, record and beneficial owner of, and has good title to, all Pledged Securities purported to be owned by such Pledgor (including as shown on Annexes A, B and C hereto), subject to no Lien, except the Liens created by this Agreement;

(ii) it has full power, authority and legal right to pledge all the Pledged Securities;

(iii) this Agreement has been duly authorized, executed and delivered by such Pledgor and constitutes the legal, valid and binding obligation of such Pledgor enforceable in accordance with its terms, except to the extent that the enforceability hereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by equitable principles (regardless of whether enforcement is sought in equity or at law);

(iv) except for the approval of directors of the issuer of ULC Shares pursuant to the articles of association thereof, no consent of any other party (including, without limitation, any stockholder or creditor of such Pledgor or any of its Subsidiaries and any other partners or members of such Pledgor's partnerships or limited liability companies) and no consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing (except any filings required under the UCC, which filings have been made) or declaration with, any governmental authority is required to be obtained by such Pledgor in connection with the execution, delivery or performance of this Agreement, or in connection with the exercise of its rights and remedies pursuant to this Agreement, in each case except (x) those which have been obtained or made, (y) as may be required by laws affecting the offer and sale of securities generally in connection with the exercise by the Pledgee of certain of its remedies hereunder, or (z) as may be required to be obtained or made in order to comply with the terms of or avoid defaults under any contract of the U.S. Borrower or a Subsidiary of the U.S. Borrower otherwise permitted under the Credit Agreement that imposes restrictions upon the sale of, or foreclosure of liens upon, any Securities of a Subsidiary pledged hereunder in connection with the exercise by the Pledgee of its remedies hereunder;

(v) the execution, delivery and performance of this Agreement by such Pledgor does not violate any provision of any applicable law or regulation or of any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, or of the certificate of incorporation or by-laws (or analogous constitution or organizational documents) of such Pledgor or of any securities issued by such Pledgor or any of its Subsidiaries, or of any mortgage, indenture, lease, deed of trust, credit agreement or loan agreement, or any other material agreement, contract or

instrument to which such Pledgor or any of its Subsidiaries is a party or which purports to be binding upon such Pledgor or any of its Subsidiaries or upon any of their respective assets and will not result in the creation or imposition (or the obligation to create or impose) of any lien or encumbrance on any of the assets of such Pledgor or any of its Subsidiaries; except (x) as contemplated in this Agreement and (y) for violations and defaults that may arise under contracts of the U.S. Borrower or a Subsidiary thereof otherwise permitted under the Credit Agreement as a result of the sale of, or foreclosure of a lien upon, the Securities of Subsidiaries pledged hereunder to the extent that the prior consent of other parties to such contracts have not been obtained or other actions specified in such contracts have not been taken in connection with any such sale or foreclosure;

(vi) all the shares of Stock have been duly and validly issued, are fully paid and nonassessable (except, insofar as in the case of ULC Shares, such shares are assessable pursuant to the NSCA) and subject to no options to purchase or similar rights;

(vii) the pledge, assignment and delivery (which delivery has been made) to the Pledgee of the Pledged Stock creates a valid and perfected first priority security interest in such Pledged Stock, subject to no prior lien or encumbrance or to any agreement purporting to grant to any third party (except the Secured Creditors) a lien or encumbrance on the property or assets of such Pledgor which would include the Securities;

(viii) each Pledged Partnership Interest and each Pledged Limited Liability Company Interest has been validly acquired and is fully paid for (to the extent applicable) and is duly and validly pledged hereunder;

(ix) each partnership agreement and each limited liability company or operating agreement is the legal, valid and binding obligation of the applicable Pledgor, enforceable in accordance with its terms;

(x) no Pledgor is in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any general or limited partnership agreement or any limited liability company or operating agreement to which such Pledgor is a party, and no Pledgor is in violation of any other material provisions of any partnership agreement or any limited liability company or operating agreement to which such Pledgor is a party, or is otherwise in default or violation thereunder in any material respect;

(xi) the pledge and assignment of the Pledged Partnership Interests and/or Pledged Limited Liability Company Interests pursuant to this Agreement, together with the relevant filings or recordings under the UCC (or other steps described in any applicable version of the UCC) (which filings, recordings or other steps have been made), create a valid perfected and continuing first priority security interest in such Pledged Partnership Interests and/or Pledged Limited Liability Company Interests and the proceeds thereof, subject to no prior lien or encumbrance or to any agreement purporting to grant to any third party (except the Secured Creditors) a lien or encumbrance on the property or assets of such Pledgee or which would include the Securities;

(xii) except for financing statements in connection with the Original Credit Agreement, there are no currently effective financing statements under the UCC covering property which is now or hereafter may be included in the Collateral and such Pledgor will not, without the prior written consent of the Pledgee, execute and, until the Termination Date (as hereinafter defined), there will not ever be on file in any public office any enforceable financing statement or statements covering any or all of the Collateral, except financing statements filed or to be filed in favor of the Pledgee as secured party;

(xiii) each Pledgor shall give the Pledgee prompt notice of any written claim it receives relating to the Collateral; and

(xiv) each Pledgor shall deliver to the Pledgee a copy of each other demand, notice or document received by it which could reasonably be expected to adversely affect the Pledgee's interest in the Collateral promptly upon, but in any event within 10 days after, such Pledgor's receipt thereof.

Each Pledgor further represents and warrants that on the date hereof (i) the Pledged Stock held by such Pledgor consists of the number and type of shares of the stock of the corporations as described in Annex A hereto; (ii) such Pledged Stock constitutes that percentage of the issued and outstanding capital stock of the issuing corporation as is set forth in Annex A hereto; (iii) the Pledged Limited Liability Company Interests held by such Pledgor constitute that percentage of the issued and outstanding equity interests of the respective issuing Pledged Limited Liability Company as is set forth in Annex B hereto; and (iv) the Pledged Partnership Interests held by such Pledgor constitute that percentage of the entire Partnership Interests of the respective Pledged Partnership as is set forth in Annex C hereto.

Each Pledgor covenants and agrees that it will defend the Pledgee's and the other Secured Creditors' right, title and security interest in and to the Collateral and the proceeds thereof against the claims and demands of all persons whomsoever; and such Pledgor covenants and agrees that it will have like title to and right to pledge any other property at any time hereafter pledged to the Pledgee as Collateral hereunder and will likewise defend the right thereto and security interest therein of the Pledgee and the other Secured Creditors.

(b) Each Pledgor hereby further represents, warrants and covenants that as of the date hereof, the jurisdiction of formation of such Pledgor and its organizational ID number (as contemplated for use under Article 9 of the UCC) is as indicated on Annex F hereto for such Pledgor. Such Pledgor will not change its jurisdiction of organization (by merger or otherwise) except to such new location as such Pledgor may establish in accordance with the last sentence of this Section 15(b). No Pledgor shall change its jurisdiction of organization until (i) it shall have given to the Pledgee prior written notice of its intention to do so, clearly describing such new jurisdiction and providing such other information in connection therewith as the Pledgee may reasonably request, (ii) it shall have delivered to the Pledgee a written supplement in the form of Annex H-1 hereto as provided in clause (c) below showing the new jurisdiction of organization and (iii) with respect to such new location, it shall have taken all action, reasonably satisfactory to the Pledgee, to maintain all security interests of the Pledgee in the Collateral intended to be granted hereby at all times fully perfected on a first priority basis and in full force and effect.

(c) Without in any way limiting Section 3.2 hereof, at any time and from time to time that any Pledgor (x) determines that the information with respect to it contained on Annex A, B, C and/or F, as the case may be, is inaccurate or (y) acquires any additional Securities which have not already been pledged hereunder and reflected on Annexes A through C, as appropriate, such Pledgor shall deliver a supplement to this Agreement, substantially in the form of Annex H-1 hereto (each a "Pledge and Security Agreement Supplement") adding (or, in the case of any Securities released pursuant to Section 18 hereof, deleting) such Securities to (or from) Annexes A through C hereto, as appropriate. The execution and delivery of any such supplement shall not require the consent of any Pledgor hereunder. It is understood and agreed that the pledge and security interests granted hereunder shall apply to all Collateral as provided in Section 3.1 hereof regardless of the failure of any Pledgor to deliver, or any inaccurate information stated in, any Amended and Restated Pledge and Security Agreement Supplement as otherwise provided above.

(d) Each Pledgor hereby covenants and agrees that with respect to all Partnership Interests or Limited Liability Company Interests, in each case required to be pledged by it hereunder, such Pledgor will deliver to the respective Pledged Partnerships or Pledged Limited Liability Companies, as the case may be (with copies to the Pledgee) a notice (appropriately completed) in the form of Annex D attached hereto (with such changes thereto as may be acceptable to the Pledgee) and by this reference made a part hereof (each such notice a "Partnership/LLC Notice") and such Pledgor will use its reasonable best efforts to cause to be delivered to the Pledgee an acknowledgment in the form set forth as Annex E attached hereto (with such changes thereto as may be acceptable to the Pledgee) (each such acknowledgment, a "Pledge Acknowledgment"), duly executed by the relevant Pledged Partnership and/or Pledged Limited Liability Company, as the case may be, in each case within 45 days following the date of any pledge of any Pledged Partnership Interests or Pledged Limited Liability Company Interests hereunder.

16. PLEDGORS' OBLIGATIONS ABSOLUTE, ETC. The obligations of each Pledgor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including, without limitation: (i) any renewal, extension, amendment or modification of or addition or supplement to or deletion from any Secured Debt Agreement or any other instrument or agreement referred to therein, or any assignment or transfer of any thereof; (ii) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such agreement or instrument or this Agreement; (iii) any furnishing of any additional security to the Pledgee or its assignee or any acceptance thereof or any release of any security by the Pledgee or its assignee; (iv) any limitation on any party's liability or obligations under any such instrument or agreement or any invalidity or unenforceability, in whole or in part, of any such instrument or agreement or any term thereof; (v) any limitation on any other Pledgor's liability or obligations under this Agreement or under any other Secured Debt Agreement or any invalidity or unenforceability, in whole or in part, of this Agreement or any other Secured Debt Agreement or any term thereof; or (vi) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to such Pledgor or any Subsidiary of such Pledgor, or any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any such proceeding, whether or not such Pledgor shall have notice or knowledge of any of the foregoing.

17. REGISTRATION, ETC. If at any time when the Pledgee shall determine to exercise its right to sell all or any part of the Pledged Securities pursuant to Section 7 hereof, such Pledged Securities or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act, as then in effect, the Pledgee may, in its sole and absolute discretion, sell such Pledged Securities or part thereof by private sale in such manner and under such circumstances as the Pledgee may deem necessary or advisable in order that such sale may legally be effected without such registration; provided, that at least 10 Business Days' notice of the time and place of any such sale shall be given to such Pledgor. Without limiting the generality of the foregoing, in any such event the Pledgee, in its sole and absolute discretion: (i) may proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Pledged Securities or part thereof shall have been filed under such Securities Act; (ii) may approach and negotiate with a single possible purchaser to effect such sale; and (iii) may restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Pledged Securities or part thereof. In the event of any such sale, the Pledgee shall incur no responsibility or liability for selling all or any part of the Pledged Securities at a price which the Pledgee, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might be realized if the sale were deferred until after registration as aforesaid so long as such disposition is otherwise commercially reasonable.

18. TERMINATION, RELEASE. (a) After the Termination Date (as defined below), this Agreement shall terminate (provided that all indemnities set forth herein including, without limitation, in Section 11 hereof shall survive any such termination) and the Pledgee, at the request and expense of the respective Pledgor, will promptly execute and deliver to such Pledgor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement, and will duly assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Pledgee and as has not theretofore been sold or otherwise applied or released pursuant to this Agreement. As used in this Agreement, "Termination Date" shall mean the earliest of (i) the date upon which the Total Revolving Loan Commitment has been terminated, and all Credit Document Obligations (excluding normal continuing indemnity obligations which survive in accordance with their terms, so long as no amounts are then due and payable in respect thereof) have been indefeasibly paid in full (provided the terms of the Secured Hedging Agreements and the other Secured Debt Agreements do not otherwise prohibit the termination hereof), (ii) the Collateral Release Date as defined in Section 10.15(d) of the Credit Agreement (but subject to any deferral requested by the U.S. Borrower pursuant to the last sentence of Section 10.15(d) and the applicable provisions hereof), (iii) the date upon which the Collateral Agent releases the Collateral in accordance with Section 14.20 of the Credit Agreement and (iv) the date upon which the Credit Documents are amended to release all Collateral subject to this Agreement.

(b) In the event that any part of the Collateral is sold (other than to any Credit Party) in connection with a sale permitted by the Secured Debt Agreements or is otherwise released in accordance with the terms of Section 10.15(a)(2) or Section 10.15(d) of the Credit Agreement or at the direction of the Required Secured Creditors (and, to the extent required by the Credit Agreement, all of the Lenders)), the Pledgee, at the request and expense of such Pledgor will promptly execute and deliver to such Pledgor (or authorize such Pledgor to file, as applicable) a proper instrument or instruments acknowledging such release (including any UCC

termination statements and any Pledge and Security Supplement that may be appropriate to evidence such release), and will duly assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as is then being (or has been) so sold, distributed or released and as may be in possession of the Pledgee and has not theretofore been released pursuant to this Agreement. Any proceeds of Collateral sold as contemplated by the immediately preceding sentence shall be applied in accordance with, and to the extent required by, the requirements of the applicable Secured Debt Agreements.

(c) At any time that a Pledgor desires that Collateral be released as provided in the foregoing Section 18(a) or (b), it shall deliver to the Pledgee a certificate signed by an Authorized Officer of such Pledgor stating that the release of the respective Collateral is permitted pursuant to Section 18(a) or (b) hereof and does not violate the terms of any Secured Debt Agreement then in effect, and the Pledgee shall be entitled (but not required) to conclusively rely thereon.

19. NOTICES, ETC. Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been given or made when delivered to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Agreement, addressed as follows:

(a) if to any Pledgor c/o the U.S. Borrower at the address of the U.S. Borrower specified under Section 14.02 of the Credit Agreement;

(b) if to the Pledgee, at the address of the Administrative Agent determined under Section 14.02 of the Credit Agreement;

(c) if to any Lender Creditor (other than the Pledgee), (x) to the Administrative Agent, at the address of the Administrative Agent specified in the Credit Agreement or (y) at such address as such Lender Creditor shall have specified in the Credit Agreement;

(d) if to any other Secured Creditor, (x) to the Representative for such Secured Creditor or (y) if there is no such Representative, at such address as such Secured Creditor shall have specified in writing to each Pledgor and the Pledgee;

or at such other address as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

20. WAIVER; AMENDMENT. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by each Pledgor directly affected thereby (it being understood that additional Pledgors may be added as parties hereto from time to time in accordance with Section 22 hereof, the Collateral may be modified as contemplated by Section 10.15(a)(2) and Section 10.15(d) of the Credit Agreement and Section 18 hereof, and Pledgors may be released as parties hereto in accordance with Sections 18 and 21 hereof and that no consent of any other Pledgor or of the Secured Creditors shall be required in connection therewith) and the Pledgee (with the written consent of (x) the Required Lenders (or all the Lenders if required by Section 14.11 of the Credit Agreement) at all times prior to the Termination Date and (y) thereafter, to the extent expressly

required under any Secured Hedging Agreement, the holders of at least a majority of the outstanding Other Obligations; provided, that (with respect to preceding clauses (x) and (y)) the U.S. Borrower certifies that any such change, waiver, modification or variance is otherwise permitted by the terms of the respective Secured Debt Agreements or, if not so permitted, that the requisite consents therefor have been obtained. Notwithstanding anything to the contrary contained above, it is understood and agreed that the Required Lenders may agree to modifications to this Agreement for the purpose, among other things, of securing additional extensions of credit (including, without limitation, pursuant to the Credit Agreement or any refinancing or extension thereof) and that the Pledgors and the Pledgee may take any actions necessary to implement the recreation of this Agreement and the pledge hereunder without the consent of the Required Lenders or any other Secured Creditor under the circumstances contemplated by Section 10.15 of the Credit Agreement, with such changes and recreation not being subject to the proviso to the immediately preceding sentence. Furthermore, the proviso to the first sentence of this Section 20 shall not apply to any release of Collateral effected in accordance with the requirements of Section 18 of this Agreement, or any other release of Collateral or termination of this Agreement so long as the U.S. Borrower certifies that such actions will not violate the terms of any Secured Debt Agreement then in effect.

21. RELEASE OF PLEDGORS. In the event that any Pledgor is permitted to be released from this Agreement as, and to the extent, provided in Section 10.15(a)(2) or Section 10.15(d) of the Credit Agreement, such Pledgor (so long as such Pledgor is not the U.S. Borrower) shall be released from this Agreement and this Agreement shall, as to such Pledgor only, have no further force or effect.

22. ADDITIONAL PLEDGORS. Pursuant to Section 10.15 of the Credit Agreement, certain Subsidiaries of the U.S. Borrower may after the date hereof be required to enter into this Agreement as a Pledgor. Upon execution and delivery, after the date hereof, by the Pledgee and such Subsidiary of a New Pledgor Supplement in the form of Annex H-2 hereto (a "New Pledgor Supplement"), such Subsidiary shall become a Pledgor hereunder with the same force and effect as if originally named as a Pledgor hereunder. Each Subsidiary which is required to become a party to this Agreement shall so execute and deliver a copy of the New Pledgor Supplement to the Pledgee and, at such time, shall execute a Supplement to the Amended and Restated Pledge and Security Agreement in the form of Annex H-1 hereto with respect to all Collateral of such Pledgor required to be pledged hereunder. The execution and delivery of any such instrument shall not require the consent of any other Pledgor hereunder. Upon the execution and delivery by the Pledgee and such Subsidiary of a New Pledgor Supplement, it is understood and agreed that the pledge and security interests hereunder shall apply to all Collateral of such additional Pledgor as provided in Section 3.1 hereof regardless of any failure of any additional Pledgor to deliver, or any inaccurate information stated in, the Pledge and Security Agreement Supplement.

23. RECOURSE. Subject to Section 14.17 of the Credit Agreement, this Agreement is made with full recourse to the Pledgors and pursuant to and upon all representations, warranties, covenants and agreements on the part of the Pledgors contained herein and otherwise in writing in connection herewith.

24. PLEDGEE NOT BOUND. (a) Nothing herein shall be construed to make the Pledgee or any other Secured Creditor liable as a member of any limited liability company or

a partner of any partnership and the Pledgee or any other Secured Creditor by virtue of this Agreement or otherwise (except as referred to in the following sentence) shall not have any of the duties, obligations or liabilities of a member of any limited liability company or partner of any partnership. The parties hereto expressly agree that, unless the Pledgee shall become the absolute owner of the respective Pledged Limited Liability Company Interest or Pledged Partnership Interest pursuant hereto, this Agreement shall not be construed as creating a partnership or joint venture among the Pledgee, any other Secured Creditor and/or any Pledgor.

(b) Except as provided in the last sentence of paragraph (a) of this Section 24, the Pledgee, by accepting this Agreement, and the other Secured Creditors did not intend to become a member of any limited liability company or partner of any partnership or otherwise be deemed to be a co-venturer with respect to any Pledgor or any limited liability company or partnership either before or after an Event of Default shall have occurred. The Pledgee shall have only those powers set forth herein and the Secured Creditors shall assume none of the duties, obligations or liabilities of a member of any limited liability company or partnership or any Pledgor.

(c) The Pledgee and the other Secured Creditors shall not be obligated to perform or discharge any obligation of any Pledgor as a result of the collateral assignment hereby effected.

(d) The acceptance by the Pledgee of this Agreement, with all the rights, powers, privileges and authority so created, shall not at any time or in any event obligate the Pledgee or any other Secured Creditor to appear in or defend any action or proceeding relating to the Collateral to which it is not a party, or to take any action hereunder or thereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Collateral.

25. CONTINUING PLEDGORS. The rights and obligations of each Pledgor (other than the respective released Pledgor in the case of following clause (y)) hereunder shall remain in full force and effect notwithstanding (x) the addition of any new Pledgor as a party to this Agreement as contemplated by Section 22 hereof or otherwise and/or (y) the release of any Pledgor under this Agreement as contemplated by Section 21 hereof or otherwise.

26. NO FRAUDULENT CONVEYANCE. Each Pledgor hereby confirms that it is its intention that this Agreement not constitute a fraudulent transfer or conveyance for purposes of any bankruptcy, insolvency or similar law, the Uniform Fraudulent Conveyance Act or any similar Federal, state or foreign law. To effectuate the foregoing intention, each Pledgor hereby irrevocably agrees that its obligations and liabilities hereunder shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other (contingent or otherwise) liabilities of such Pledgor that are relevant under such laws, result in the obligations and liabilities of such Pledgor hereunder in respect of such maximum amount not constituting a fraudulent transfer or conveyance.

27. CANADIAN REVOLVING LOAN BORROWERS. The Pledgors hereby acknowledge that pursuant to the terms of the Credit Agreement various Canadian Revolving Loan Borrowers may become a party to the Credit Agreement from time to time and incur Loans thereunder. The Pledgors further acknowledge and agree that all obligations and liabilities of

any Canadian Revolving Loan Borrower under the Credit Agreement shall be fully secured hereunder and no consent of the Pledgors is required to effect the same.

28. MISCELLANEOUS. This Agreement shall be binding upon the successors and assigns of each Pledgor and shall inure to the benefit of and be enforceable by the Pledgee and its successors and assigns; provided that no Pledgor may assign any of its rights or obligations hereunder without the prior written consent of the Pledgee (with the consent of the Required Lenders and, if required by Section 14.11 of the Credit Agreement, all Lenders) and any such assignment without such consent shall be null and void. **THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS).** The headings in this Agreement are for purposes of reference only and shall not limit or define the meaning hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument.

29. **WAIVER OF TRIAL BY JURY.** EACH PLEDGOR AND EACH SECURED CREDITOR (BY ITS ACCEPTANCE OF THE BENEFITS OF THIS AGREEMENT) HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS TO WHICH SUCH PLEDGOR IS A PARTY OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

30. SEVERABILITY. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

31. ULC SHARES. Notwithstanding any provisions to the contrary contained in this Agreement or any other document or agreement among all or some of the parties hereto, with respect to any Collateral which constitutes ULC Shares, the relevant Pledgor of such ULC Shares is the sole registered and beneficial owner of all ULC Shares and will remain so until such time as such ULC Shares are effectively transferred into the name of the Pledgee, any Secured Party or any other person on the books and records of the ULC issuer of such ULC Shares. Accordingly, the relevant Pledgor shall be entitled to receive and retain for its own account any dividend on or other distribution, if any, in respect of such Collateral (except pursuant to Section 3.2 hereof) and shall have the right to vote such Collateral and to control the direction, management and policies of the ULC issuer to the same extent as the Pledgor would if such Collateral were not pledged to the Pledgee (for its own benefit and for the benefit of the Secured Parties) pursuant hereto. Nothing in this Agreement or any other document or agreement among all or some of the parties hereto is intended to, and nothing in this Agreement or any other document or agreement among all or some of the parties hereto shall, constitute the Pledgee, any of the Secured Parties or any person other than the Pledgor, a member of a ULC for the purposes of NSCA until such time as notice is given to the Pledgor and further steps are taken thereunder so as to register the Pledgee or other person as holder of ULC Shares. To the extent any provision hereof would have the effect of constituting the Pledgee or any of the

Secured Parties as a member of any ULC prior to such time, such provision shall be severed therefrom and ineffective with respect to Collateral which are ULC Shares without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Collateral which are not ULC Shares. Except upon the exercise of rights to sell or otherwise dispose of the Pledged Stock issued by a ULC following the occurrence of an Event of Default hereunder, no Pledgor shall cause or permit, or enable any ULC in which they hold ULC Shares to cause to permit, the Pledgee or other Secured Parties to: (a) be registered as shareholders or members of such ULC; (b) have any notation entered in their favor in the share register of such ULC; (c) be held out as shareholders or members of such ULC; (d) receive, directly or indirectly, any dividends, property or other distributions from the ULC by reason of the Pledgee or the Secured Parties holding a security interest in the ULC; or (e) act as a shareholder or member of the ULC, or exercise any rights of a shareholder or member including the right to attend a meeting of, or to vote the shares of, the ULC.

* * *

IN WITNESS WHEREOF, each Pledgor has caused this Agreement to be duly executed and delivered by its duly authorized officer on the date first above written.

THE PLEDGORS SET FORTH ON SCHEDULE 1 HERETO

By: /s/ JOHN A. CARNELLA
John A. Carnella

Title: **Senior Vice President of Host Marriott Corporation and Vice President of the remaining signatories listed on Schedule 1**

Accepted and Agreed to:

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Collateral Agent and Pledgee

By: /s/ LINDA WANG
Name: **Linda Wang**
Title: **Vice President**

SCHEDULE 1
TO
AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

PLEDGORS:

HOST MARRIOTT, L.P.
By: HOST MARRIOTT CORPORATION,
its General Partner

HOST PARK RIDGE LLC

HMC CAPITAL LLC

HMC CAPITAL RESOURCES LLC

HMC MANHATTAN BEACH LLC

HMC MEXPARK LLC

DURBIN LLC

HMC RETIREMENT PROPERTIES, L.P.
By: DURBIN LLC,
its General Partner

HMC PALM DESERT LLC

HOST LA JOLLA LLC

HMC AMELIA I LLC

HMC AMELIA II LLC

HMC AP GP LLC

HMC AP LP

HMC PLP LLC

HMC OLS I LLC

HMC OLS I L.P.,
By: HMC OLS I LLC,
its General Partner

AIRPORT HOTELS LLC

HOST OF HOUSTON, LTD.
By: AIRPORT HOTELS LLC,
its General Partner

HMC DIVERSIFIED LLC

HMC HPP LLC

HMC POTOMAC LLC

HMC SUITES LLC

PM FINANCIAL LLC

PRM LLC

HMH RIVERS LLC

ANNEX A
to
AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

LIST OF PLEDGED STOCK OF CORPORATIONS

All of the following Pledged Stock constitutes Collateral under this Agreement.

Pledgor	Pledged Stock	Percentage Owned
HMC AP LP	HMC AP Canada Company	100

ANNEX B
to
AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

LIST OF PLEDGED LIMITED LIABILITY COMPANY INTERESTS

All of the following Pledged Limited Liability Company Interests constitute Collateral under this Agreement.

Pledgor	Pledged Limited Liability Company Interests	Percentage Owned
Host Marriott, L.P.	Airport Hotels LLC	100
Host Marriott, L.P.	Chesapeake Financial Services LLC	100
Host Marriott, L.P.	Durbin LLC	100
Host Marriott, L.P.	Farrell’s Ice Cream Parlour Restaurants LLC	100
Host Marriott, L.P.	Fernwood Hotel LLC	100
Host Marriott, L.P.	HMC Amelia I LLC	100
Host Marriott, L.P.	HMC Amelia II LLC	100
Host Marriott, L.P.	HMC AP GP LLC	100
Host Marriott, L.P.	HMC Atlanta LLC	100
Host Marriott, L.P.	HMC Capital LLC	100
Host Marriott, L.P. HMC Capital LLC	HMC Capital Resources LLC	90 10
Host Marriott, L.P.	HMC Chicago LLC	100
Host Marriott, L.P.	HMC Copley LLC	100
Host Marriott, L.P.	HMC Desert LLC	100
Host Marriott, L.P.	HMC Diversified LLC	100
Host Marriott, L.P.	HMC East Side II LLC	100
Host Marriott, L.P.	HMC Georgia LLC	100

Pledgor	Pledged Limited Liability Company Interests	Percentage Owned
Host Marriott, L.P.	HMC Grand LLC	100
Host Marriott, L.P.	HMC Hartford LLC	100
Host Marriott, L.P.	HMC Host Restaurants LLC	100
Host Marriott, L.P.	HMC Hotel Development LLC	100
Host Marriott, L.P.	HMC HPP LLC	100
Host Marriott, L.P.	HMC HT LLC	100
Host Marriott, L.P.	HMC IHP Holdings LLC	100
Host Marriott, L.P.	HMC JWDC LLC	100
Host Marriott, L.P.	HMC Lenox LLC	100
Host Marriott, L.P.	HMC Manhattan Beach LLC	100
Host Marriott, L.P.	HMC Maui LLC	100
Host Marriott, L.P.	HMC Mexpark LLC	100
Host Marriott, L.P.	HMC NGL LLC	100
Host Marriott, L.P.	HMC OLS I LLC	100
Host Marriott, L.P.	HMC Palm Desert LLC	100
HMC Capital Resources LLC	HMC Park Ridge LLC	100
Host Marriott, L.P.	HMC PLP LLC	100
HMC Mexpark LLC	HMC Polanco LLC	100
Host Marriott, L.P.	HMC Potomac LLC	100
Host Marriott, L.P.	HMC Properties I LLC	100
Host Marriott, L.P.	HMC Properties II LLC	100
Host Marriott, L.P.	HMC Property Leasing LLC	100
Host Marriott, L.P.	HMC SBM Two LLC	100
Host Marriott, L.P.	HMC Seattle LLC	100

Pledgor	Pledged Limited Liability Company Interests	Percentage Owned
Host Marriott, L.P.	HMC SFO LLC	100
HMC Capital Resources LLC	HMC Suites LLC	100
Host Marriott, L.P.	HMC Swiss Holdings LLC	100
Host Marriott, L.P.	HMC Waterford LLC	100
Host Marriott, L.P.	HMH General Partner Holdings LLC	100
HMC Retirement Properties, L.P.	HMH Marina LLC	100
Host Marriott, L.P.	HMH Norfolk LLC	100
Host Marriott, L.P.	HMH Pentagon LLC	100
Host Marriott, L.P.	HMH Restaurants LLC	100
Host Marriott, L.P.	HMH WTC LLC	100
Host Marriott, L.P.	HMT Lessee Parent LLC	100
Host Marriott, L.P.	Host La Jolla LLC	100
Host Marriott, L.P.	Host La Jolla LLC	100
HMC Capital Resources LLC	Host Park Ridge LLC	100
HMC Palm Desert LLC	MDSM Finance LLC	100
Host Marriott, L.P.	Philadelphia Airport Hotel LLC	100
Host Marriott, L.P.	PM Financial LLC	100
HMC Capital Resources LLC	PRM LLC	100
Host Marriott, L.P.	Rockledge Hotel LLC	100
Host Marriott, L.P.	Santa Clara HMC LLC	100
Host La Jolla LLC	Times Square LLC	100
HMC Capital Resources LLC	YBG Associates LLC	100

Pledgor	Pledged Limited Liability Company Interests	Percentage Owned
Host Marriott, L.P.	HMC Headhouse Funding LLC	100
Host Marriott, L.P.	HMH Rivers LLC	100
Host Marriott, L.P.	Ivy Street Hopewell LLC	100

ANNEX C
to
AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

LIST OF PLEDGED PARTNERSHIP INTERESTS

All of the following Pledged Partnership Interests constitute Collateral under this Agreement.

Pledged Partnership Interest	Pledgor	Pledged Partnership Percentage
Ameliatel, a Florida GP	HMC Amelia I LLC	99
	HMC Amelia II LLC	1
Chesapeake Hotel Limited Partnership	HMC PLP LLC	1
	Host Marriott, L.P.	99
City Center Hotel Limited Partnership	Host Marriott, L.P.	97.2
	Host La Jolla LLC	2.8
HMC AP LP	HMC AP GP LLC	.01
	Host Marriott, L.P.	99.99
HMC Diversified American Hotels, L.P.	HMC Diversified LLC	99
	HMC HPP LLC	.99
	Host Marriott, L.P.	.01
HMC/Interstate Manhattan Beach L.P.	HMC Manhattan Beach LLC	75
	Host Marriott, L.P.	25
HMC OLS I L.P.	HMC OLS I LLC	0.1
	Host Marriott, L.P.	99.9
HMC OLS II L.P.	HMC OLS I L.P.	99.9
	HMC OLS I LLC	0.1
HMC Retirement Properties L.P.	Durbin LLC	1
	Host Marriott, L.P.	99

Pledged Partnership Interest	Pledgor	Pledged Partnership Percentage
HMH Rivers, L.P.	HMH Rivers LLC	1
	Host Marriott, L.P.	99
HMC Suites Limited Partnership	HMC Suites LLC	1
	HMC Capital Resources LLC.	99
Host of Boston, Ltd.	Airport Hotels LLC	1
	Host Marriott, L.P.	99
Host of Houston 1979	Airport Hotels LLC	99
	Host of Houston, Ltd.	1
Host of Houston, Ltd.	Airport Hotels LLC	1
	Host Marriott, L.P.	99
PM Financial LP	PM Financial LLC	1
	Host Marriott, L.P.	99
Potomac Hotel Limited Partnership	HMC Potomac LLC	99
	HMC HPP LLC	.99
	Host Marriott, L.P.	.01
Wellsford-Park Ridge HMC Hotel Limited Partnership	Host Park Ridge LLC	99
	PRM LLC	1

ANNEX D
to
AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

FORM OF PARTNERSHIP/LLC NOTICE OF PLEDGE [1]

[Letterhead of Pledgor]

_____ ___, _____

TO: [Name of Pledged Partnership/Limited Liability Company]

Notice is hereby given that pursuant to the Amended and Restated Pledge and Security Agreement (a true and correct copy of which is attached hereto) dated as of September 10, 2004 (as amended, modified or supplemented from time to time in accordance with the terms thereof, the "Pledge Agreement"), among [NAME OF PLEDGOR] (the "Pledgor"), the other pledgors from time to time party thereto and Deutsche Bank Trust Company Americas (the "Pledgee"), as Collateral Agent on behalf of the Secured Creditors described therein, the Pledgor has pledged and assigned to the Pledgee for the benefit of the Secured Creditors, and granted to the Pledgee for the benefit of the Secured Creditors, a continuing security interest in, all right, title and interest of the Pledgor, whether now existing or hereafter arising or acquired, [as a [limited] [general] partner in [NAME OF PLEDGED PARTNERSHIP] (the "Partnership"), and in, to and under the [TITLE OF APPLICABLE PARTNERSHIP AGREEMENT] (the "Partnership Agreement"),] [as a member in [NAME OF PLEDGED LIMITED LIABILITY COMPANY] (the "LLC"), and into and under its Limited Liability Company Agreement (the "Articles")] including, without limitation:

(i) the Pledgor's interest in all of the capital of the Partnership/LLC and the Pledgor's interest in all profits, losses, (as defined in the Pledge Agreement) and other distributions to which the Pledgor shall at any time be entitled in respect of such partnership/limited liability company interest;

(ii) all other payments due or to become due to the Pledgor in respect of such partnership/limited liability company interest, whether under the Partnership Agreement/Articles or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(iii) all of the Pledgor's claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under the Partnership Agreement/Articles or at law or otherwise in respect of such partnership/limited liability company interest;

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[1] This form and Annex E may be changed to cover multiple pledgors and issuers of the Securities in a single form.

(iv) all present and future claims, if any, of the Pledgor against the Partnership/LLC for moneys loaned or advanced, for services rendered or otherwise;

(v) all of the Pledgor's rights under the Partnership Agreement/Articles or at law to exercise and enforce every right, power, remedy, authority, option and privilege of the Pledgor relating to the partnership/limited liability company interest, including any power to terminate, cancel or modify the Partnership Agreement/Articles, to execute any instruments and to take any and all other action on behalf of and in the name of the Pledgor in respect of the partnership/limited liability company interest and the Partnership/LLC, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing;

(vi) all other property hereafter delivered to the Pledgor in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, distributions, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing; and

(vii) to the extent not otherwise included, all proceeds of any or all of the foregoing.

Pursuant to the Pledge Agreement, the Partnership/LLC is hereby authorized and directed to register the Pledgor's pledge to the Pledgee on behalf of the Secured Creditors of the interest of the Pledgor on the Partnership's/LLC's books.

The Pledgor hereby irrevocably agrees and authorizes and directs the Partnership/LLC that instructions originated by the Pledgee on behalf of the Secured Creditors with respect to the Pledgor's claims, rights, interests, powers, remedies, authorities, options and privileges set forth above shall, unless written notice to the contrary is given by the Pledgee to the Partnership/LLC, be complied with by the Partnership/LLC, without further consent by the Pledgor. This notice and related confirmation are intended to give the Pledgee "control" of the Pledgor's interests in the Partnership/LLC as such term is used in Section 8-106 of the New York Uniform Commercial Code.

The Pledgor hereby requests the Partnership/LLC to indicate its acceptance of this Notice and consent to and confirmation of its terms and provisions by signing a copy of the attached Acknowledgment and Agreement and returning the same to the Pledgee on behalf of the Secured Creditors.

[NAME OF PLEDGOR]

By: _____
Name:
Title:

ANNEX E
to
AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

FORM OF ACKNOWLEDGMENT AND AGREEMENT

[NAME OF PLEDGED PARTNERSHIP/LIMITED LIABILITY COMPANY] (the "Partnership"/"LLC") hereby acknowledges receipt of a copy of the Notice of Pledge dated _____, (the "Notice of Pledge"), by [NAME OF PLEDGOR] ("Pledgor") of its interest under the [TITLE OF APPLICABLE PARTNERSHIP AGREEMENT/ARTICLES OF ORGANIZATION] (the "Partnership Agreement"/"Articles") pursuant to the terms of the Amended and Restated Pledge and Security Agreement, dated as of September 10, 2004 (as amended, modified or supplemented from time to time in accordance with the terms thereof, the "Pledge Agreement"), among the Pledgor, the other pledgors from time to time party thereto and Deutsche Bank Trust Company Americas (the "Pledgee"), as Collateral Agent on behalf of the Secured Creditors described therein. The undersigned hereby further confirms the registration of the Pledgor's pledge of its interest to the Pledgee on behalf of the Secured Creditors on the undersigned's books.

The Partnership/LLC hereby acknowledges the rights of and remedies available to the Secured Creditors under the Pledge Agreement.

The Partnership/LLC hereby irrevocably agrees to comply with the instructions originated by the Pledgee, on behalf of the Secured Creditors, of the type referred to in the penultimate paragraph of the Notice of Pledge signed by the Pledgor, without further consent by the Pledgor. The undersigned further hereby irrevocably agrees, except upon the prior written consent of the Pledgee, not to honor any such instructions given by any other person or entity. This acknowledgment and agreement and related Notice of Pledge to the undersigned Partnership/LLC by the Pledgor are intended to provide "control" to the Pledgee of the Pledgor's interest in the Partnership/LLC as such term is defined in Section 8-106 of the New York Uniform Commercial Code.

Dated: _____ ____, _____

[NAME OF PLEDGED PARTNERSHIP/LLC]

By: _____
Name:
Title:

ANNEX F
to
AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

JURISDICTION OF FORMATION AND ORGANIZATIONAL ID NUMBER

Entity	Jurisdiction of Organization (Organized in Delaware unless indicated)	ID Numbers
Host Marriott, L.P.		2885265
Airport Hotels LLC		2965003
Durbin LLC		2926216
HMC Amelia I LLC		2968536
HMC Amelia II LLC		2968544
HMC AP GP LLC		2979110
HMC AP LP		2979286
HMC Capital LLC		2918979
HMC Capital Resources LLC		2964934
HMC Diversified LLC		2947971
HMC HPP LLC		2978041
HMC Manhattan Beach LLC		2965136
HMC Mexpark LLC		2965194
HMC OLS I L.P.		2977959
HMC OLS I LLC		2977953
HMC Palm Desert LLC		2965133
HMC Potomac LLC		2947981
HMC PLP LLC		2976968
HMC Retirement Properties, L.P.		2927547
HMC Suites LLC		2971324

Entity	Jurisdiction of Organization (Organized in Delaware unless indicated)	ID Numbers
HMH Rivers LLC		2966576
Host La Jolla LLC		2976960
Host Park Ridge LLC		2965142
Host of Houston, Ltd.	Texas	558810
PM Financial LLC		2965198
PRM LLC		2965138

ANNEX G
to
AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

THE PLEDGEE

1. Appointment. The Secured Creditors, by their acceptance of the benefits of the Amended and Restated Pledge and Security Agreement to which this Annex G is attached (the "Pledge Agreement") hereby irrevocably designate Deutsche Bank Trust Company Americas (and any successor Pledgee) to act as specified herein and therein and to be bound by the terms of this Annex G. Unless otherwise defined herein, all capitalized terms used herein (x) and defined in the Pledge Agreement, are used herein as therein defined and (y) not defined in the Pledge Agreement, are used herein as defined in the Credit Agreement referenced in the Pledge Agreement. Each Secured Creditor hereby irrevocably authorizes, and each holder of any Obligation by the acceptance of such Obligation and by the acceptance of the benefits of the Pledge Agreement shall be deemed irrevocably to authorize, the Pledgee to take such action on its behalf under the provisions of the Pledge Agreement and any instruments and agreements referred to therein and to exercise such powers and to perform such duties thereunder as are specifically delegated to or required of the Pledge Agreement by the terms thereof and such other powers as are reasonably incidental thereto. The Pledgee may perform any of its duties hereunder or thereunder by or through its authorized agents, sub-agents or employees.

2. Nature of Duties. (a) The Pledgee shall have no duties or responsibilities except those expressly set forth herein or in the Pledge Agreement. The duties of the Pledgee shall be mechanical and administrative in nature; the Pledgee shall not have by reason of the Pledge Agreement or any other Secured Debt Agreement a fiduciary relationship in respect of any Secured Creditor; and nothing in the Pledge Agreement or any other Secured Debt Agreement, expressed or implied, is intended to or shall be so construed as to impose upon the Pledgee any obligations in respect of the Pledge Agreement except as expressly set forth herein and therein.

(b) The Pledgee shall not be responsible for insuring the Collateral or for the payment of taxes, charges or assessments or discharging of Liens upon the Collateral or otherwise as to the maintenance of the Collateral.

(c) The Pledgee shall not be required to ascertain or inquire as to the performance by any Pledgor of any of the covenants or agreements contained in the Pledge Agreement or any other Secured Debt Agreement.

(d) The Pledgee shall be under no obligation or duty to take any action under, or with respect to, the Pledge Agreement if taking such action (i) would subject the Pledgee to a tax in any jurisdiction where it is not then subject to a tax or (ii) would require the Pledgee to qualify to do business, or obtain any license, in any jurisdiction where it is not then so qualified or licensed or (iii) would subject the Pledgee to in personam jurisdiction in any locations where it is not then so subject.

(e) Notwithstanding any other provision of this Annex G, neither the Pledgee nor any of its officers, directors, employees, affiliates or agents shall, in its individual capacity, be

personally liable for any action taken or omitted to be taken by it in accordance with, or pursuant to this Annex G or the Pledge Agreement except for its own gross negligence or willful misconduct.

3. Lack of Reliance on the Pledgee. Independently and without reliance upon the Pledgee, each Secured Creditor, to the extent it deems appropriate, has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of each Pledgor and its Subsidiaries in connection with the making and the continuance of the Obligations and the taking or not taking of any action in connection therewith, and (ii) its own appraisal of the creditworthiness of each Pledgor and its Subsidiaries, and the Pledgee shall have no duty or responsibility, either initially or on a continuing basis, to provide any Secured Creditor with any credit or other information with respect thereto, whether coming into its possession before the extension of any Obligations or the purchase of any notes or at any time or times thereafter. The Pledgee shall not be responsible in any manner whatsoever to any Secured Creditor for the correctness of any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith or for the execution, effectiveness, genuineness, validity, enforceability, perfection, collectibility, priority or sufficiency of the Pledge Agreement or the security interests granted hereunder or the financial condition of any Pledgor or any Subsidiary of any Pledgor or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of the Pledge Agreement, or the financial condition of any Pledgor or any Subsidiary of any Pledgor, or the existence or possible existence of any Default or Event of Default. The Pledgee makes no representations as to the value or condition of the Collateral or any part thereof, or as to the title of any Pledgor thereto or as to the security afforded by the Pledge Agreement.

4. Certain Rights of the Pledgee. (a) No Secured Creditor shall have the right to cause the Pledgee to take any action with respect to the Collateral, with only the Required Secured Creditors (or all of the Secured Creditors in the case of the release of all or substantially all of the Collateral) having the right to direct the Pledgee to take any such action. If the Pledgee shall request instructions from the Required Secured Creditors, with respect to any act or action (including failure to act) in connection with the Pledge Agreement, the Pledgee shall be entitled to refrain from such act or taking such action unless and until it shall have received instructions from the Required Secured Creditors and to the extent requested, appropriate indemnification in respect of actions to be taken, and the Pledgee shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, no Secured Creditor shall have any right of action whatsoever against the Pledgee as a result of the Pledgee acting or refraining from acting hereunder in accordance with the instructions of the Required Secured Creditors. As used herein, the term "Required Secured Creditors" shall mean (i) at all times prior to the occurrence of the Termination Date (as defined in the Pledge Agreement), the holders of at least a majority of the then outstanding Credit Document Obligations and (ii) at all times after the Credit Termination Date, the holders of at least a majority of the then outstanding Obligations entitled to be secured hereby; provided, however, that if the pledge in favor of the Lenders shall be recreated under Section 10.15 of the Credit Agreement, the provisions of clause (i) shall apply notwithstanding there shall be a period when clause (ii) shall have applied. Notwithstanding anything to the contrary contained in clause (i) or (ii) of the immediately preceding sentence, if at any time the principal of any Obligations secured hereby has been accelerated, or the final

maturity date with respect to any such principal Obligations has occurred, and as a result thereof one or more payment Events of Default (where the aggregate principal amount of such Obligations accelerated or not paid at final maturity equals or exceeds $50,000,000), which payment Events of Default shall have continued in existence for at least 60 consecutive days after the date of such acceleration or final maturity, and the Required Secured Creditors (or the Representative thereof) at such time (determined without regard to this sentence) have not directed the Pledgee to commence enforcement proceedings pursuant to the Pledge Agreement, then so long as such payment Event of Default is continuing the Secured Creditors (or the Representative thereof) holding at least a majority of the outstanding Obligations secured hereby subject to such payment Event of Default shall constitute the Required Secured Creditors for purposes of causing the Pledgee to commence enforcement proceedings pursuant to the Pledge Agreement, provided that in such event the Secured Creditors who would constitute the Required Secured Creditors in the absence of this sentence shall have the right to direct the manner and method of enforcement so long as such directions do not materially delay or impair the taking of enforcement action.

(b) Notwithstanding anything to the contrary contained herein, the Pledgee is authorized, but not obligated, (i) to take any action reasonably required to perfect or continue the perfection of the liens on the Collateral for the benefit of the Secured Creditors and (ii) when instructions from the Required Secured Creditors have been requested by the Pledgee but have not yet been received, to take any action which the Pledgee, in good faith, believes to be reasonably required to promote and protect the interests of the Secured Creditors in the Collateral; provided that once instructions have been received, the actions of the Pledgee shall be governed thereby and the Pledgee shall not take any further action which would be contrary thereto.

(c) Notwithstanding anything to the contrary contained herein or in the Pledge Agreement, the Pledgee shall not be required to take any action that exposes or, in the good faith judgment of the Pledgee may expose, the Pledgee or its officers, directors, agents or employees to personal liability, unless the Pledgee shall be adequately indemnified as provided herein, or that is, or in the good faith judgment of the Pledgee may be, contrary to the Pledge Agreement, any Secured Debt Agreement or applicable law.

5. Reliance. The Pledgee shall be entitled to rely, and shall be fully protected in relying, upon, any note, writing, resolution, notice, statement, certificate, telex, teletype or telescopes message, cablegram, radiogram, order or other document or telephone message signed, sent or made by the proper Person or entity, and, with respect to all legal matters pertaining hereto or to the Pledge Agreement and its duties thereunder and hereunder, upon advice of counsel selected by it.

6. Indemnification. To the extent the Pledgee is not reimbursed and indemnified by the Pledgors under the Pledge Agreement, the Secured Creditors (other than the Senior Noteholders) will reimburse and indemnify the Pledgee, in proportion to their respective outstanding principal amounts (including, for this purpose, any unpaid Primary Obligations in respect of Secured Hedging Agreements, as outstanding principal) of Obligations, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Pledgee in performing its duties hereunder, or in any way relating to or

arising out of its actions as Pledgee in respect of the Pledge Agreement except for those resulting solely from the Pledgee's own gross negligence or willful misconduct. The indemnities set forth in this Section 6 shall survive the repayment of all Obligations, with the respective indemnification at such time to be based upon the outstanding principal amounts (determined as described above) of Obligations at the time of the respective occurrence upon which the claim against the Pledgee is based or, if same is not reasonably determinable, based upon the outstanding principal amounts (determined as described above) of Obligations as in effect immediately prior to the termination of the Pledge Agreement. The indemnities set forth in this Section 6 are in addition to any indemnities provided by the Lenders to the Pledgee pursuant to the Credit Agreement, with the effect being that the Lenders shall be responsible for indemnifying the Pledgee to the extent the Pledgee does not receive payments pursuant to this Section 6 from the Secured Creditors (although in such event, and upon the payment in full of all such amounts owing to the Pledgee by the Lenders, the Lenders shall be subrogated to the rights of the Pledgee to receive payment from the Secured Creditors).

7. The Pledgee in its Individual Capacity. With respect to its obligations as a lender under the Credit Agreement and any other Credit Documents to which the Pledgee is a party, and to act as agent under one or more of such Credit Documents, the Person serving as Pledgee shall have the rights and powers specified therein and herein for a "Lender", or the "Administrative Agent", as the case may be, and may exercise the same rights and powers as though it were not performing the duties specified herein; and the terms "Lenders," "Required Lenders," "holders of Notes," or any similar terms shall, unless the context clearly otherwise indicates, include the Person serving as Pledgee in its individual capacity. The Person serving as Pledgee and its affiliates may accept deposits from, lend money to, and generally engage in any kind of banking, investment banking, trust or other business with any Pledgor or any Affiliate or Subsidiary of any Pledgor as if it were not performing the duties specified herein or in the other Credit Documents, and may accept fees and other consideration from the Pledgors for services in connection with the Credit Agreement, the other Credit Documents and otherwise without having to account for the same to the Secured Creditors.

8. Holders. The Pledgee may deem and treat the payee of any note as the owner thereof for all purposes hereof unless and until written notice of the assignment, transfer or endorsement thereof, as the case may be, shall have been filed with the Pledgee. Any request, authority or consent of any person or entity who, at the time of making such request or giving such authority or consent, is the holder of any note, shall be final and conclusive and binding on any subsequent holder, transferee, assignee or endorsee, as the case may be, of such note or of any note or notes issued in exchange therefor.

9. Resignation by the Pledgee. (a) The Pledgee may resign from the performance of all of its functions and duties hereunder and under the Pledge Agreement at any time by giving 15 Business Days' prior or written notice to the U.S. Borrower, the Lenders and the Representatives for the other Secured Creditors or, if there is no such Representative, directly to such Secured Creditors. Such resignation shall take effect upon the appointment of a successor Pledgee pursuant to clause (b) or (c) below.

(b) Upon any notice of resignation by the Pledgee, the Required Secured Creditors shall appoint a successor Pledgee in accordance with Section 13.09(b) of the Credit

Agreement. If a successor Pledgee shall not have been appointed within said 15 Business Day period by the Required Secured Creditors, the Pledgee, with the consent of the U.S. Borrower, which consent shall not be unreasonably withheld or delayed, shall then appoint a successor Pledgee who shall serve as Pledgee hereunder or thereunder until such time, if any, as the Required Secured Creditors appoint a successor Pledgee as provided above.

(c) If no successor Pledgee has been appointed pursuant to clause (b) above by the 20th Business Day after the date of such notice of resignation was given by the Pledgee, as a result of a failure by the U.S. Borrower to consent to the appointment of such a successor Pledgee, the Required Secured Creditors shall then appoint a successor Pledgee who shall serve as Pledgee hereunder or thereunder until such time, if any, as the Required Secured Creditors appoint a successor Pledgee as provided above.

ANNEX H-1
to
AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

FORM OF
SUPPLEMENT
to
AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

SUPPLEMENT No. _____ to AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT, dated as of _____ (this "Supplement"), made by _____, a _____ (the "Pledgor"), in favor of DEUTSCHE BANK TRUST COMPANY AMERICAS, as pledgee and as collateral agent (in such capacities, the "Pledgee") for the Secured Creditors (such term and each other capitalized term used but not defined having the meaning given in the Pledge Agreement (hereinafter defined)).

1. Reference is hereby made to that certain Amended and Restated Pledge and Security Agreement, dated as of September 9, 2004 (as amended, supplemented or otherwise modified as of the date hereof, the "Pledge Agreement"), made by the Pledgors party thereto in favor of the Pledgee for the benefit of the Secured Creditors described therein.

2. The Pledgor hereby confirms and reaffirms the security interest in the Collateral granted to the Pledgee for the benefit of the Secured Creditors under the Pledge Agreement, and, as additional collateral security for the prompt and complete payment when due (whether at stated maturity, by acceleration or otherwise) of the Obligations and in order to induce the Secured Creditors to make and continue or maintain loans and other extensions of credit constituting Obligations, the Pledgor hereby delivers to the Pledgee, for the benefit of the Secured Creditors, [(i) all of the issued and outstanding shares of capital stock listed in Schedule I hereto, together with all stock certificates, options, or rights of any nature whatsoever which may be issued or granted in respect of such stock while the Pledge Agreement, as supplemented hereby, is in force (the "Additional Pledged Stock"; as used in the Pledge Agreement as supplemented by this Supplement, "Pledged Stock" shall be deemed to include the Additional Pledged Stock)], [(ii) all limited liability company interests listed on Schedule II hereto (the "Additional Pledged Limited Liability Company Interests"; as used in the Pledge Agreement as supplemented by this Supplement, "Pledged Limited Liability Company Interests" shall be deemed to include the Additional Pledged Limited Liability Company Interests)], [(iii) all partnership interests listed on Schedule III hereto (the "Additional Pledged Partnership Interests"; as used in the Pledge Agreement as supplemented by this Supplement, "Pledged Partnership Interests" shall be deemed to include Additional Pledged Partnership Interests)], and hereby grants to the Pledgee, for the benefit of the Secured Creditors, a first priority security interest in the Additional Pledged Stock, Additional Pledged Partnership Interests and/or Additional Pledged Limited Liability Company Interests, as the case may be, and all proceeds thereof.

3. The Pledgor hereby represents and warrants that the representations and warranties contained in Section 15 of the Pledge Agreement are true and correct on the date of this Supplement [with references therein to the "Pledged Stock" to include the Additional Pledged Stock,] [with references therein to the "Pledged Partnership Interests" to include the Additional Pledged Partnership Interests,] [with references therein to the "Pledged Limited

Liability Company Interests" to include the Additional Pledged Limited Liability Company Interests,] and with references therein to the "Pledge Agreement" to mean the Pledge Agreement as supplemented by this Supplement.

4. The Pledgor hereby represents and warrants that, as of the date hereof, the jurisdiction of formation of the Pledgor is as indicated on Schedule IV hereto.

5. This Supplement is supplemental to the Pledge Agreement, forms a part thereof and is subject to the terms thereof and the Pledge Agreement is hereby supplemented as provided herein. Without limiting the foregoing, (i) Annex A to the Pledge Agreement shall hereby be deemed to include each item listed on Schedule I to this Supplement, (ii) Annex B to the Pledge Agreement shall hereby be deemed to include each item listed on Schedule II to this Supplement, (iii) Annex C to the Pledge Agreement shall hereby be deemed to include each term listed on Schedule III to this Supplement, and (iv) Annex F to the Pledge Agreement shall be deemed to include the jurisdiction of formation listed on Schedule IV to this Supplement.

* * *

IN WITNESS WHEREOF, the Pledgor and the Pledgee have caused this Supplement to be duly executed and delivered on the date first set forth above.

[PLEDGOR]

By: _____
Name:
Title:

DEUTSCHE BANK TRUST COMPANY
AMERICAS, as
Pledgee

By: _____
Name:
Title:

SCHEDULE I
to
SUPPLEMENT to AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

PLEDGED STOCK

All of the following Pledged Stock constitutes Collateral under this Agreement.

Pledgor	Pledged Stock	Percentage Owned

SCHEDULE II
to
SUPPLEMENT to AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

PLEDGED LIMITED LIABILITY COMPANY INTERESTS

All of the following Pledged Limited Liability Interests constitute Collateral under this Agreement.

Pledgor	Pledged Limited Liability Company Interests	Percentage Owned

SCHEDULE III
to
SUPPLEMENT to AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

PLEDGED PARTNERSHIP INTERESTS

All of the following Pledged Partnership Interests constitute Collateral under this Agreement.

Pledged Partnership Interest	Pledgor	Percentage Owned

SCHEDULE IV
to
SUPPLEMENT to AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

JURISDICTION OF FORMATION AND ORGANIZATIONAL ID NUMBER

ANNEX H-2
to
AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

FORM OF
NEW PLEDGOR SUPPLEMENT

SUPPLEMENT NO. dated as of _____, to the Amended and Restated Pledge and Security Agreement dated as of September 10, 2004 (as amended, supplemented or otherwise modified as of the date hereof, the "Pledge Agreement"), among the Pledgors party thereto (immediately before giving effect to this Supplement) and DEUTSCHE BANK TRUST COMPANY AMERICAS as collateral agent and as pledgee (in such capacities, the "Pledgee") for the Secured Creditors (such term and each other capitalized term used but not defined having the meaning given it in the Pledge Agreement).

A. The Pledgors have entered into the Pledge Agreement in order to induce the Secured Creditors to make loans and other extensions of credit constituting Obligations as defined in the Pledge Agreement. Pursuant to Section 10.15 of the Credit Agreement, certain Subsidiaries of the U.S. Borrower are, after the date of the Pledge Agreement, required to enter into the Pledge Agreement as a Pledgor. Section 22 of the Pledge Agreement provides that additional Subsidiaries may become Pledgors under the Pledge Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned (the "New Pledgor") is a Subsidiary of the U.S. Borrower and is executing this Supplement in accordance with the requirements of the Credit Agreement and/or the Pledge Agreement to become a Pledgor under the Pledge Agreement in order to induce the Secured Creditors to extend, or maintain, Obligations.

Accordingly, the Pledgee and the New Pledgor agree as follows:

SECTION 1. The New Pledgor by its signature below becomes a Pledgor under the Pledge Agreement with the same force and effect as if originally named therein as a Pledgor and the New Pledgor hereby agrees to all the terms and provisions of the Pledge Agreement applicable to it as a Pledgor thereunder. Each reference to a "Pledgor" in the Pledge Agreement shall be deemed to include the New Pledgor. The Pledge Agreement is hereby incorporated herein by reference.

SECTION 2. The New Pledgor represents and warrants to the Secured Creditors that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and equitable principles of general applicability.

SECTION 3. This Supplement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument. This Supplement shall become effective when the Pledgee shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Pledgor and the Pledgee.

SECTION 4. Except as expressly supplemented hereby, the Pledge Agreement shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, neither party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Pledge Agreement shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in the Pledge Agreement. All communications and notices hereunder to the New Pledgor shall be given to it at the address set forth under its signature, with a copy to the U.S. Borrower.

* * *

IN WITNESS WHEREOF, the New Pledgor and the Pledgee have duly executed this Supplement to the Pledge Agreement as of the day and year first above written.

[NAME OF NEW PLEDGOR]

By: _____
Name:
Title:
Address:

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Pledgee

By: _____
Name:
Title:

EXHIBIT 10.45

AMENDED AND RESTATED SUBSIDIARIES GUARANTY

AMENDED AND RESTATED SUBSIDIARIES GUARANTY, dated as of September 10, 2004 (as amended, modified or supplemented from time to time, this "Guaranty"), made by each of the undersigned guarantors (each, a "Guarantor" and, together with any other entity that becomes a party hereto pursuant to Section 26 hereof, the "Guarantors"). (Except as otherwise defined herein, capitalized terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.)

W I T N E S S E T H :

WHEREAS, Host Marriott, L.P., a Delaware limited partnership (the "U.S. Borrower"), each Canadian Revolving Loan Borrower from time to time party thereto (together with the U.S. Borrower, the "Borrowers"), various lenders from time to time party thereto (the "Lenders"), and Deutsche Bank Trust Company Americas, as Administrative Agent (together with any successor administrative agent, the "Administrative Agent"), have entered into a Credit Agreement dated as of June 6, 2002 (the "Original Credit Agreement") as amended and restated by the Amended and Restated Credit Agreement dated as of the date hereof, (as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, and including any agreement extending the maturity of, or refinancing or restructuring, including, but not limited to, the inclusion of additional borrowers or guarantors thereunder or any increase in the amount borrowed, the "Credit Agreement"), providing for the making of Revolving Loans and other extensions of credit to the Borrowers as contemplated therein (the Lenders, the Administrative Agent and the Collateral Agent are herein called the "Lender Creditors");

WHEREAS, each Borrower may at any time and from time to time enter into one or more Interest Rate Protection Agreements or Other Hedging Agreements each of which by its terms requires the obligations of such Borrower under such Interest Rate Protection Agreement or Other Hedging Agreement to be guaranteed pursuant to this Guaranty ("Guaranteed Hedging Agreement") with one or more Lenders or any affiliate thereof (each such Lender or affiliate, even if the respective Lender subsequently ceases to be a Lender under the Credit Agreement for any reason, together with such Lender's or affiliate's successors and assigns, if any, collectively, the "Other Creditors," and together with the Lender Creditors, are herein called the "Creditors");

WHEREAS, each Guarantor is a direct or an indirect Subsidiary of the U.S. Borrower;

WHEREAS, it was a condition to the making of revolving loans and other extensions of credit under the Original Credit Agreement that the guarantors party to the Guaranty Agreement dated as of June 6, 2002 (the "Original Guaranty") shall have executed and delivered the Original Guaranty; and

WHEREAS, it is a condition to the making of Revolving Loans and other extensions of credit under the Credit Agreement that each Guarantor shall have amended and restated the Original Guaranty as provided herein; and

WHEREAS, each Guarantor will obtain benefits from the incurrence of Revolving Loans by, and other extensions of credit to, the Borrowers under the Credit Agreement and the entering into by the U.S. Borrower of the Guaranteed Hedging Agreements referred to above and, accordingly, desires to execute this Guaranty in order to satisfy the conditions described in the preceding paragraph;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Guarantor, the receipt and sufficiency of which are hereby acknowledged, each Guarantor hereby amends and restates the Original Guaranty in its entirety as set forth herein:

1. Each Guarantor, jointly and severally, absolutely, irrevocably and unconditionally guarantees: (i) to the Lender Creditors the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of (x) the principal of and interest on the Notes issued by, and the Revolving Loans made to, each Borrower under the Credit Agreement and the reimbursement obligations in respect of all Letters of Credit and (y) all other obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due) and liabilities owing by the Borrowers to the Lender Creditors under the Credit Agreement and each other Credit Document to which any of the Borrowers is a party (including, without limitation, indemnities, Fees and interest thereon), whether now existing or hereafter incurred under, arising out of or in connection with the Credit Agreement and each such other Credit Document and the due performance and compliance by the Borrowers with all of the terms, conditions and agreements contained in the Credit Agreement and in each such other Credit Document (all such principal, interest, liabilities and obligations being herein collectively called the “Credit Agreement Obligations”); and (ii) to each Other Creditor, the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations (including obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due) and liabilities owing by the Borrower under any Guaranteed Hedging Agreement, whether now in existence or hereafter arising, and the due performance and compliance by the Borrower with all of the terms, conditions and agreements contained in the Guaranteed Hedging Agreements (all such obligations and liabilities being herein collectively called the “Other Obligations” and, together with the Credit Agreement Obligations, are herein collectively called the “Guaranteed Obligations”). Each Guarantor understands, agrees and confirms that the Creditors may enforce this Guaranty up to the full amount of the Guaranteed Obligations against each Guarantor without proceeding against any other Guarantor, against any Borrower, against any security for the Guaranteed Obligations, or under any other guaranty covering all or a portion of the Guaranteed Obligations.

2. Additionally, each Guarantor, jointly and severally, absolutely, unconditionally and irrevocably, guarantees the payment of any and all Guaranteed Obligations to the Creditors whether or not due or payable by the Borrowers upon the occurrence in respect of any of the Borrowers of any of the events specified in Section 12.05 of the Credit Agreement, and absolutely, unconditionally and irrevocably, jointly and severally, promises to pay such

Guaranteed Obligations to the Creditors, or order, on demand, in lawful money of the United States or in such other currency as may be required by the Credit Agreement. This Guaranty shall constitute a guaranty of payment, and not of collection.

3. The liability of each Guarantor hereunder is exclusive and independent of any security for or other guaranty of the indebtedness of the Borrowers, whether executed by such Guarantor, any other Guarantor, any other guarantor or any other party, and the liability of each Guarantor hereunder shall not be affected or impaired by any circumstance or occurrence whatsoever, including, without limitation: (a) any direction as to application of payment by the Borrowers or by any other party, (b) any other continuing or other guaranty, undertaking or maximum liability of a guarantor or of any other party as to the indebtedness of the Borrowers, (c) any payment on or in reduction of any such other guaranty or undertaking except to the extent that any such payment or reduction results in the actual permanent reduction of the Guaranteed Obligations, (d) any dissolution, termination or change in personnel by any Borrower, (e) any payment made to any Creditor on the indebtedness which any Creditor repays any Borrower pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, or otherwise, and each Guarantor waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding, (f) any action or inaction by the Creditors as contemplated in Section 6 hereof, or (g) any invalidity, irregularity or unenforceability of all or part of the Guaranteed Obligations or of any security therefor.

4. The obligations of each Guarantor hereunder are independent of the obligations of any other Guarantor, any other guarantor or any Borrower, and a separate action or actions may be brought and prosecuted against each Guarantor whether or not action is brought against any other Guarantor, any other guarantor or any Borrower and whether or not any other Guarantor, any other guarantor or any Borrower be joined in any such action or actions. Each Guarantor waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof. Any payment by a Borrower or other circumstance which operates to toll any statute of limitations as to such Borrower shall operate to toll the statute of limitations as to each Guarantor.

5. Each Guarantor hereby waives notice of acceptance of this Guaranty and notice of any liability to which it may apply, and waives promptness, diligence, presentment, demand of payment, protest, notice of dishonor or nonpayment of any such liabilities, suit or taking of other action by the Administrative Agent or any other Creditor against, and any other notice to, any party liable thereon (including such Guarantor, any other guarantor or any Borrower).

6. Any Creditor may at any time and from time to time without the consent of, or notice to, any Guarantor, without incurring responsibility to such Guarantor, and without impairing or releasing the obligations of such Guarantor hereunder, upon or without any terms or conditions and in whole or in part:

(a) change the manner, place or terms of payment of, and/or change or extend the time of payment of, renew or alter, any of the Guaranteed Obligations (including any increase or decrease in the rate of interest thereon), any security therefor, or any liability incurred

directly or indirectly in respect thereof, and the guaranty herein made shall apply to the Guaranteed Obligations as so changed, extended, renewed or altered;

(b) take and hold security for the payment of the Guaranteed Obligations and sell, exchange, release, surrender, impair, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, the Guaranteed Obligations or any liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or any offset there against, and/or release any Person liable for all or any portion of the Guaranteed Obligations;

(c) act or fail to act in any manner referred to in this Guaranty which may deprive such Guarantor of its right to subrogation against the Borrowers to recover full indemnity for any payments made pursuant to this Guaranty; and/or

(d) take any other action which would, under otherwise applicable principles of common law, give rise to a legal or equitable discharge of such Guarantor from it liabilities under this Guaranty.

7. No invalidity, irregularity or unenforceability of all or any part of the Guaranteed Obligations or of any security therefor shall affect, impair or be a defense to this Guaranty, and this Guaranty shall be primary, absolute, irrevocable and unconditional notwithstanding the occurrence of any event or the existence of any other circumstances which might constitute a legal or equitable discharge of a surety or guarantor except indefeasible payment in full of the Guaranteed Obligations.

8. This Guaranty is a continuing one and all liabilities to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. No failure or delay on the part of any Creditor in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which any Creditor would otherwise have. No notice to or demand on any Guarantor in any case shall entitle such Guarantor to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of any Creditor to any other or further action in any circumstances without notice or demand. It is not necessary for any Creditor to inquire into the capacity or powers of the Borrowers or the officers, directors, partners or agents acting or purporting to act on its behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

9. Any indebtedness of any Borrower now or hereafter held by any Guarantor is hereby subordinated to the indebtedness of such Borrower to the Creditors; and such indebtedness of such Borrower to any Guarantor, if the Administrative Agent, after an Event of Default has occurred, so requests at a time when any Guaranteed Obligations are outstanding, shall be collected, enforced and received by such Guarantor as trustee for the Creditors and be paid over to the Creditors on account of the indebtedness of such Borrower to the Creditors, but without affecting or impairing in any manner the liability of such Guarantor

under the other provisions of this Guaranty. Prior to the transfer by any Guarantor of any note or negotiable instrument evidencing any indebtedness of a Borrower to such Guarantor, such Guarantor shall mark such note or negotiable instrument with a legend that the same is subject to this subordination. Without limiting the generality of the foregoing, each Guarantor hereby agrees with the Creditors that it will not exercise any right of subrogation which it may at any time otherwise have as a result of this Guaranty (whether contractual, under Section 509 of the Bankruptcy Code or otherwise) until all Guaranteed Obligations have been paid in full in cash (it being understood that each Guarantor is not waiving any right of subrogation that it may otherwise have but is only waiving the exercise thereof as provided above).

10. (a) Each Guarantor waives any right (except as shall be required by applicable statute and cannot be waived) to require the Creditors to: (i) proceed against the Borrowers, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other party; (ii) proceed against or exhaust any security held from the Borrowers, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other party; or (iii) pursue any other remedy in the Creditors' power whatsoever. Each Guarantor waives any defense based on or arising out of any defense of the Borrower, such Guarantor, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other party other than payment in full of the Guaranteed Obligations, including, without limitation, any defense based on or arising out of the disability of the Borrowers, such Guarantor, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other party, or the unenforceability of the Guaranteed Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrowers other than payment in full of the Guaranteed Obligations. The Creditors may, at their election, foreclose on any security held by the Administrative Agent, the Collateral Agent or the other Creditors by one or more judicial or nonjudicial sales or exercise any other right or remedy the Creditors may have against the Borrowers or any other party, or any security, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Guaranteed Obligations have been paid in full. Each Guarantor waives any defense arising out of any such election by the Creditors, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrowers or any other party or any security.

(b) Each Guarantor waives all presentments, demands for performance, protests and notices, including, without limitation, notices of nonperformance, notices of protest, notices of dishonor, notices of acceptance of this Guaranty, and notices of the existence, creation or incurring of new or additional indebtedness. Each Guarantor assumes all responsibility for being and keeping itself informed of each Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks which such Guarantor assumes and incurs hereunder, and agrees that the Creditors shall have no duty to advise any Guarantor of information known to any of them regarding such circumstances or risks.

11. In order to induce the Lender Creditors to enter into the Credit Agreement and to make the Revolving Loans pursuant to the Credit Agreement, and to induce the Other Creditors to enter into the Guaranteed Hedging Agreements, each Guarantor represents, warrants and covenants that:

(a) Status. Such Guarantor (i) is a duly organized and validly existing corporation, partnership, trust or limited liability company, as the case may be, in good standing (if applicable) under the laws of the jurisdiction of its organization, (ii) has the corporate, partnership, trust or limited liability company power and authority, as the case may be, to own or lease its property and assets and to transact the business in which it is engaged and presently proposes to engage and (iii) is duly qualified and is authorized to do business and is in good standing in each jurisdiction where the conduct of its business requires such qualification, except for failures to be so qualified which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(b) Power and Authority. Such Guarantor has the corporate, partnership, trust or limited liability company power and authority, as the case may be, to execute, deliver and perform the terms and provisions of this Guaranty and each other Credit Document to which it is a party and has taken all necessary corporate, partnership, trust or limited liability company action, as the case may be, to authorize the execution, delivery and performance by it of each such Credit Document. Such Guarantor has duly executed and delivered this Guaranty and each other Credit Document to which it is a party and each such Credit Document constitutes the legal, valid and binding obligation of such Guarantor enforceable in accordance with its terms, except to the extent that the enforceability hereof and thereof may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws affecting creditors' rights generally and by equitable principles (regardless of whether enforcement is sought in equity or at law).

(c) No Violation. Neither the execution, delivery or performance by such Guarantor of this Guaranty or any other Credit Document to which it is a party, nor compliance by it with the terms and provisions hereof and thereof (i) will contravene any applicable provision of any law, statute, rule or regulation, or any order, writ, injunction or decree of any court or governmental instrumentality, (ii) will conflict or be inconsistent with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Pledge and Security Agreement) upon any of the property or assets of such Guarantor or any of its Subsidiaries pursuant to the terms of, any indenture, mortgage, deed of trust, credit agreement or loan agreement or any other material agreement, contract or instrument to which such Guarantor or any of its Subsidiaries is a party or by which it or any of its property or assets is bound or to which it may be subject except for violations and defaults that may arise under contracts of such Guarantor otherwise permitted under the Credit Agreement as a result of the sale of, or foreclosure of a lien upon, the Securities (as defined in the Pledge and Security Agreement) of Subsidiaries pledged under the Pledge and Security Agreement to the extent that the prior consent of other parties to such contracts have not been obtained or other actions specified in such contracts have not been taken in connection with any such sale or foreclosure, or (iii) will violate any provision of the certificate of incorporation, certificate of partnership, partnership agreement, limited liability company agreement or by-laws of such Guarantor or any of its Subsidiaries.

(d) Governmental Approvals. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except as have been obtained or made), or exemption by, any governmental or public body or authority, or any

subdivision thereof, is required to authorize, or is required in connection with, (i) the execution, delivery and performance of this Guaranty or any other Credit Document to which such Guarantor is a party or (ii) the legality, validity, binding effect or enforceability of this Guaranty or any other Credit Document to which such Guarantor is a party.

(e) Litigation. There are no actions, suits or proceedings pending or, to the best knowledge of such Guarantor, threatened (i) which purport to affect the legality, validity or enforceability of this Guaranty or (ii) that could reasonably be expected to have a Material Adverse Effect.

12. Each Guarantor covenants and agrees that on and after the Effective Date and until the Total Revolving Loan Commitment has terminated and when no Note remains outstanding and all Guaranteed Obligations have been paid in full, such Guarantor shall take, or will refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in Section 10 or 11 of the Credit Agreement occurs, and so that no Default or Event of Default is caused by the actions of such Guarantor or any of its Subsidiaries.

13. The Guarantors hereby jointly and severally agree to pay all out-of-pocket costs and expenses of each Creditor in connection with the enforcement of this Guaranty (including reasonable legal fees and expenses) and the out-of-pocket costs and expenses of the Administrative Agent in connection with any amendment, waiver or consent relating hereto (including reasonable legal fees and expenses).

14. This Guaranty shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the Creditors and their successors and assigns; provided, however, that, except as otherwise permitted under the Credit Agreement, no Guarantor may assign or transfer any of its rights or obligations hereunder without the prior written consent of the Required Lenders (and any such attempted assignment or transfer without such consent shall be null and void).

15. Neither this Guaranty nor any provision hereof may be changed, waived, discharged or terminated except with the written consent of each Guarantor directly affected thereby and with the written consent of (i) the Required Lenders, or, to the extent required by Section 14.11 of the Credit Agreement, each of the Lenders under the Credit Agreement, as the case may be, so long as any Credit Agreement Obligations remain outstanding and (ii) in any situation not covered by preceding clause (i), to the extent expressly required under any Guaranteed Hedging Agreement, the holders of a majority of the outstanding principal amount of the Other Obligations; provided, that any change, waiver, modification or variance affecting the rights and benefits of a single Class (as defined below) of Creditors (and not all Creditors in a like or similar manner) shall require the written consent of the Requisite Creditors (as defined below) of such Class of Creditors (it being understood that the addition or release of any Guarantor hereunder shall not constitute a change, waiver, discharge or termination affecting any Guarantor other than the Guarantor so added or released). For the purpose of this Guaranty, the term “Class” shall mean each class of Creditors, i.e., whether (x) the Lender Creditors as holders of the Credit Agreement Obligations or (y) the Other Creditors as the holders of the Other Obligations. For the purpose of this Guaranty, the term “Requisite Creditors” of any Class shall

mean (x) with respect to the Credit Agreement Obligations, the Required Lenders, or, to the extent required by Section 14.11 of the Credit Agreement, each of the Lenders, and (y) with respect to the Other Obligations, the holders of at least a majority of all obligations outstanding from time to time under the respective Guaranteed Hedging Agreements.

16. Each Guarantor acknowledges that an executed (or conformed) copy of each of the Credit Documents has been made available to such Guarantor and such Guarantor is familiar with the contents thereof.

17. In addition to any rights now or hereafter granted under applicable law (including, without limitation, Section 151 of the New York Debtor and Creditor Law) and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default (such term to mean and include any "Event of Default" as defined in the Credit Agreement or any payment default under any Guaranteed Hedging Agreement continuing after any applicable grace period), each Creditor is hereby authorized at any time or from time to time, without notice to any Guarantor or to any other Person, any such notice being expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other indebtedness at any time held or owing by such Creditor to or for the credit or the account of such Guarantor, against and on account of the obligations and liabilities of such Guarantor to such Creditor under this Guaranty, irrespective of whether or not such Creditor shall have made any demand hereunder and although said obligations, liabilities, deposits or claims, or any of them, shall be contingent or unmatured.

18. All notices, requests, demands or other communications pursuant hereto shall be deemed to have been duly given or made when delivered to the Person to which such notice, request, demand or other communication is required or permitted to be given or made under this Guaranty, addressed to such party at (i) in the case of any Lender Creditor, as provided in the Credit Agreement, (ii) in the case of any Guarantor, at the address of the U.S. Borrower specified in the Credit Agreement, and (iii) in the case of any Other Creditor, at such address as such Other Creditor shall have specified in writing to the Guarantors; or in any case at such other address as any of the Persons listed above may hereafter notify the others in writing.

19. If claim is ever made upon any Creditor for repayment or recovery of any amount or amounts received in payment or on account of any of the Guaranteed Obligations and any of the aforesaid payees repays all or part of said amount by reason of (i) any judgment, decree or order of any court or administrative body having jurisdiction over such payee or any of its property or (ii) any settlement or compromise of any such claim effected by such payee with any such claimant (including a Borrower), then and in such event each Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding upon such Guarantor, notwithstanding any revocation hereof or other instrument evidencing any liability of a Borrower, and such Guarantor shall be and remain liable to the aforesaid payees hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

20. (A) This Guaranty shall be binding upon the successors and assigns of each Guarantor (although no Guarantor may assign its rights and obligations hereunder except in accordance with Section 14 hereof) and shall inure to the benefit of and be enforceable by the

Administrative Agent and the other Creditors and their respective successors and assigns. **THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF THE CREDITORS AND OF THE UNDERSIGNED HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.** Any legal action or proceeding with respect to this Guaranty or any other Credit Document to which any Guarantor is a party may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York, in each case which are located in the City of New York, and, by execution and delivery of this Guaranty, each Guarantor hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each Guarantor hereby further irrevocably waives any claim that any such courts lack jurisdiction over such Guarantor, and agrees not to plead or claim in any legal action or proceeding with respect to this Guaranty or any other Credit Document to which such Guarantor is a party brought in any of the aforesaid courts that any such court lacks jurisdiction over such Guarantor. Each Guarantor further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to each Guarantor at its address set forth opposite its signature below, such service to become effective 30 days after such mailing. Each Guarantor hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any action or proceeding commenced hereunder or under any other Credit Document to which such Guarantor is a party that service of process was in any way invalid or ineffective. Nothing herein shall affect the right of any of the Creditors to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against each Guarantor in any other jurisdiction.

(A) Each Guarantor hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Guaranty or any other Credit Document to which such Guarantor is a party brought in the courts referred to in clause (a) above and hereby further irrevocably waives and agrees not to plead or claim in any such court that such action or proceeding brought in any such court has been brought in an inconvenient forum.

(B) **WAIVER OF TRIAL BY JURY**. EACH GUARANTOR AND EACH CREDITOR (BY ITS ACCEPTANCE OF THE BENEFITS OF THIS GUARANTY) HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS GUARANTY, THE OTHER CREDIT DOCUMENTS TO WHICH SUCH GUARANTOR IS A PARTY OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

21. In the event that all of the capital stock of one or more Guarantors is sold or otherwise disposed of or liquidated in compliance with the requirements of the Credit Agreement (or such sale or other disposition has been approved in writing by the Required Lenders (or, to the extent required by the Credit Agreement, each of the Lenders)) and the proceeds of such sale, disposition or liquidation are applied in accordance with (and to the extent required by) the provisions of the Credit Agreement, to the extent applicable, or in the circumstances set forth in Section 10.15(a)(2) of the Credit Agreement with respect to a Guarantor or in circumstances where the Collateral is released pursuant to Section 14.20 of the

Credit Agreement, in any such case such Guarantor shall be released from this Guaranty and this Guaranty shall, as to each such Guarantor or Guarantors, terminate, and have no further force or effect (it being understood and agreed that the sale or other disposition of one or more Persons that own, directly or indirectly, all of the capital stock, partnership interests or limited liability company interests of any Guarantor shall be deemed to be a sale of such Guarantor for the purposes of this Section 21) and the Administrative Agent, at the request and expense of the respective Guarantor, will promptly execute and deliver to such Guarantor a proper instrument or instruments acknowledging such release.

22. Each Guarantor hereby confirms that it is its intention that this Guaranty not constitute a fraudulent transfer or conveyance for purposes of any bankruptcy, insolvency or similar law, the Uniform Fraudulent Conveyance Act or any similar Federal, state or foreign law. To effectuate the foregoing intention, if enforcement of the liability of any Guarantor under this Guaranty for the full amount of the Guaranteed Obligations would be an unlawful or voidable transfer under any applicable fraudulent conveyance or fraudulent transfer law or any comparable law, then the liability of such Guarantor hereunder shall be reduced to the maximum amount for which such liability may then be enforced without giving rise to an unlawful or voidable transfer under any such law.

23. To the extent that any Guarantor shall be required hereunder to pay a portion of the Guaranteed Obligations which shall exceed the greater of (i) the amount of the economic benefit actually received by such Guarantor from the incurrence of the Revolving Loans under the Credit Agreement and the entering into of Guaranteed Hedging Agreements and (ii) the amount which such Guarantor would otherwise have paid if such Guarantor had paid the aggregate amount of the Guaranteed Obligations (excluding the amount thereof repaid by the Borrower and the other Guarantors) in the same proportion as such Guarantor's net worth at the date enforcement hereunder is sought bears to the aggregate net worth of all the Guarantors at the date enforcement hereunder is sought (the "Contribution Percentage"), then such Guarantor shall have a right of contribution against each other Guarantor who has made payments in respect of the Guaranteed Obligations to and including the date enforcement hereunder is sought in an aggregate amount less than such other Guarantor's Contribution Percentage of the aggregate payments made to and including the date enforcement hereunder is sought by all Guarantors in respect of the Guaranteed Obligations; provided, that no Guarantor may take any action to enforce such right until the Guaranteed Obligations have been indefeasibly paid in full and the Total Revolving Loan Commitment has been terminated, it being expressly recognized and agreed by all parties hereto that any Guarantor's right of contribution arising pursuant to this Section 23 against any other Guarantor shall be expressly junior and subordinate to such other Guarantor's obligations and liabilities in respect of the Guaranteed Obligations and any other obligations owing under this Guaranty. All parties hereto recognize and agree that, except for any right of contribution arising pursuant to this Section 23, each Guarantor who makes any payment in respect of the Guaranteed Obligations shall have no right of contribution or subrogation against any other Guarantor in respect of such payment. Each of the Guarantors recognizes and acknowledges that the rights to contribution arising hereunder shall constitute an asset in favor of the party entitled to such contribution. In this connection, each Guarantor has the right to waive its contribution right against any Guarantor to the extent that after giving effect to such waiver such Guarantor would remain solvent, in the determination of the Required Lenders.

24. This Guaranty may be executed in any number of counterparts and by the different parties hereto on separate 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. A set of counterparts executed by all the parties hereto shall be lodged with the Guarantors and the Administrative Agent.

25. All payments made by any Guarantor hereunder will be made without setoff, counterclaim or other defense.

26. It is understood and agreed that any Subsidiary of the U.S. Borrower that is required to execute a counterpart of this Guaranty pursuant to the Credit Agreement shall automatically become a Guarantor hereunder by executing a counterpart hereof and delivering the same to the Administrative Agent or by executing and delivering a supplement hereto in the form of Annex 1 hereto.

27. Any provision of this Guaranty held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

* * *

IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be executed and delivered as of the date first above written.

THE GUARANTORS LISTED ON SCHEDULE 1 HERETO

By: /S/ JOHN A. CARNELLA
John A. Carnella

Title: **Vice President**

[Signature Page to Subsidiaries Guaranty]

Accepted and Agreed to:

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Collateral Agent and Pledgee

By: /s/ LINDA WANG

Name: **Linda Wang**
Title: **Vice President**

GUARANTORS:

AIRPORT HOTELS LLC

AMELIATEL
By: HMC AMELIA I LLC and HMC AMELIA II LLC,
its General Partners

CALGARY CHARLOTTE HOLDINGS COMPANY

CHESAPEAKE FINANCIAL SERVICES LLC

CHESAPEAKE HOTEL LIMITED PARTNERSHIP
By: HMC PLP LLC,
its General Partner

CITY CENTER HOTEL LIMITED PARTNERSHIP
By: HOST LA JOLLA LLC,
its General Partner

DURBIN LLC

FARRELL'S ICE CREAM PARLOUR RESTAURANTS LLC

FERNWOOD HOTEL LLC

HMC AMELIA I LLC

HMC AMELIA II LLC

HMC AP CANADA COMPANY

HMC AP GP LLC

HMC AP LP
By: HMC AP GP LLC,
its General Partner

HMC ATLANTA LLC

HMC BCR HOLDINGS LLC

HMC BURLINGAME LLC

HMC CAPITAL LLC

HMC CAPITAL RESOURCES LLC

HMC CHARLOTTE (CALGARY) COMPANY

HMC CHARLOTTE LP
By: HMC CHARLOTTE GP LLC,
its General Partner

HMC CHARLOTTE GP LLC

HMC CHICAGO LLC

HMC COPLEY LLC

HMC DESERT LLC

HMC DIVERSIFIED AMERICAN HOTELS, L.P.
By: HMC DIVERSIFIED LLC,
its General Partner

HMC DIVERSIFIED LLC

HMC EAST SIDE II LLC

HMC GATEWAY LLC

HMC GEORGIA LLC

HMC GRACE (CALGARY) COMPANY

HMC GRAND LLC

HMC HANOVER LLC

HMC HARTFORD LLC

HMC HEADHOUSE FUNDING LLC

HMC HOST RESTAURANTS LLC

HMC HOTEL DEVELOPMENT LLC

HMC HPP LLC

HMC HT LLC

HMC IHP HOLDINGS LLC

HMC JWDC GP LLC

HMC JWDC LLC

HMC LENOX LLC

HMC MANHATTAN BEACH LLC

HMC MARKET STREET LLC

HMC MAUI LLC

HMC MEXPARK LLC

HMC NGL LLC

HMC OLS I L.P.,
By: HMC OLS I LLC,
its General Partner

HMC OLS I LLC

HMC OLS II L.P.,
By: HMC OLS I LLC,
its General Partner

HMC OP BN LLC

HMC PACIFIC GATEWAY LLC

HMC PALM DESERT LLC

HMC PARK RIDGE LLC

HMC PLP LLC

HMC POLANCO LLC

HMC POTOMAC LLC

HMC PROPERTIES I LLC

HMC PROPERTIES II LLC

HMC PROPERTY LEASING LLC

HMC RETIREMENT PROPERTIES, L.P.
By: DURBIN LLC,
its General Partner

HMC SBM TWO LLC

HMC SEATTLE LLC

HMC SFO LLC

HMC SUITES LIMITED PARTNERSHIP
By: HMC SUITES LLC,
its General Partner

HMC SUITES LLC

HMC SWISS HOLDINGS LLC

HMC TORONTO AIRPORT GP LLC

HMC TORONTO AIRPORT LP
By: HMC TORONTO AIRPORT GP LLC,
its General Partner

HMC TORONTO EC GP LLC

HMC TORONTO EC LP
By: HMC TORONTO EC GP LLC,
its General Partner

HMC/INTERSTATE MANHATTAN BEACH, L.P.
By: HMC MANHATTAN BEACH LLC,
its General Partner

HMH GENERAL PARTNER HOLDINGS LLC

HMH MARINA LLC

HMH NORFOLK LLC

HMH NORFOLK, L.P.
By: HMH NORFOLK LLC,
its General Partner

HMH PENTAGON LLC

HMH RESTAURANTS LLC

HMH RIVERS LLC

HMH RIVERS, L.P.
By: HMH RIVERS LLC,
its General Partner

HMH WTC LLC

HMT LESSEE PARENT LLC

HOST LA JOLLA LLC

HOST OF BOSTON, LTD.
By: AIRPORT HOTELS LLC,
its General Partner

HOST OF HOUSTON 1979,
By: AIRPORT HOTELS LLC and HOST OF HOUSTON, LTD.,
(By: AIRPORT HOTELS LLC, its General Partner),
its General Partners

HOST OF HOUSTON, LTD.
By: AIRPORT HOTELS LLC,
its General Partner

HOST PARK RIDGE LLC

IVY STREET LLC

IVY STREET HOPEWELL LLC

MARKET STREET HOST LLC

MDSM FINANCE LLC

NEW MARKET STREET LP
By: HMC MARKET STREET LLC,
its General Partner

PHILADELPHIA AIRPORT HOTEL LLC

PM FINANCIAL LLC

PM FINANCIAL LP
By: PM FINANCIAL LLC,
its General Partner

POTOMAC HOTEL LIMITED PARTNERSHIP
By: HMC POTOMAC LLC,
its General Partner

PRM LLC

ROCKLEDGE HOTEL LLC

S.D. HOTELS LLC

SANTA CLARA HMC LLC

TIMES SQUARE GP LLC

TIMES SQUARE LLC

WELLSFORD-PARK RIDGE HMC HOTEL LIMITED PARTNERSHIP
By: HOST PARK RIDGE LLC,
its General Partner

YBG ASSOCIATES LLC

The address for each of the Guarantors listed above is:

c/o Host Marriott, L.P.
6903 Rockledge Drive
Suite 1500
Bethesda, Maryland 20817

FORM OF SUBSIDIARIES GUARANTY SUPPLEMENT

SUPPLEMENT NO. __ dated as of [_____] (this "Supplement"), to the Amended and Restated Subsidiaries Guaranty, dated as of _____, ____ (the "Guaranty"), made by the Guarantors party thereto (immediately before giving effect to this Supplement) and accepted by Deutsche Bank Trust Company Americas as Collateral Agent and Pledgee (each capitalized term used but not defined having the meaning given it in the Guaranty) for the benefit of the Creditors.

A. Reference is made to the Amended and Restated Credit Agreement, dated as of September 10, 2004 (as amended or modified from time to time, the "Credit Agreement"), among Host Marriott, L.P. (the "U.S. Borrower"), each Canadian Revolving Loan Borrower from time to time party thereto, the lenders from time to time party thereto (the "Lenders"), and Deutsche Bank Trust Company Americas, as Administrative Agent.

B. The Guarantors have entered into the Guaranty in order to induce the Lenders to make Revolving Loans and to issue, and participate in, Letters of Credit pursuant to, and upon the terms and subject to the conditions specified in, the Credit Agreement. Pursuant to Section 10.15 of the Credit Agreement, certain Subsidiaries of the U.S. Borrower may, after the date of the Guaranty, be required to enter into the Guaranty as a Guarantor. Section 26 of the Guaranty provides that such additional Subsidiaries may become Guarantors under the Guaranty by execution and delivery of an instrument in the form of this Supplement. The undersigned (the "New Subsidiary Guarantor") is a Subsidiary of the U.S. Borrower and is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Guarantor under the Guaranty in order to induce the Lenders to make additional Revolving Loans and to issue, and participate in, additional Letters of Credit and as consideration for Loans previously made and Letters of Credit previously issued.

Accordingly, the Collateral Agent and the New Subsidiary Guarantor agree as follows:

SECTION 1. In accordance with Section 26 of the Guaranty, the New Subsidiary Guarantor by its signature below becomes a Guarantor under the Guaranty with the same force and effect as if originally named therein as a Guarantor and the New Subsidiary Guarantor hereby agrees to all the terms and provisions of the Guaranty applicable to it as a Guarantor thereunder. Each reference to a "Guarantor" in the Guaranty shall be deemed to include the New Subsidiary Guarantor. The Guaranty is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary Guarantor represents and warrants to the Creditors that (i) this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its

terms, subject to the effects of applicable bankruptcy, insolvency or similar laws effecting creditors' rights generally and equitable principles of general applicability and (ii) the representations and warranties contained in Section 11 of the Guaranty are true and correct as of the date hereof as to the New Subsidiary Guarantor.

SECTION 3. This Supplement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument. This Supplement shall become effective when the Administrative Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Subsidiary Guarantor and the Administrative Agent.

SECTION 4. Except as expressly supplemented hereby, the Guaranty shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, neither party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Guaranty shall not in any way be affected or impaired. The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in the Credit Agreement. All communications and notices hereunder to the New Subsidiary Guarantor shall be given to it at the address set forth under its signature, with a copy to the U.S. Borrower.

IN WITNESS WHEREOF, the New Subsidiary Guarantor and the Collateral Agent have duly executed this Supplement to the Guaranty as of the day and year first above written.

Address:

[NAME OF NEW GUARANTOR],
as Subsidiary Guarantor

By _____
Name:
Title:
Address: _____
_____

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Collateral Agent

By _____
Name:
Title: